THE WALL STREET JOURNAL.

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What's News

Business & Finance

McDonald's sued ex-CEO Easterbrook, seeking to recoup tens of millions it paid him in severance and benefits and alleging he lied about sexual relationships with employees before his ouster last fall. **A1**

◆ **The EPA is preparing** to rescind requirements that oil-and-gas producers be equipped to detect methane leaks in their systems. **A2**

◆ **The U.S. budget deficit** shrank last month as households and businesses made tax payments delayed from April, the CBO estimated. **A2**

◆ **Marriott posted** its worst quarterly loss ever, but a budding travel recovery in China offered signs of hope as the pandemic continues to hit the lodging industry. **B1**

◆ **Kodak shares plunged** 28% after news that a planned $765 million loan to the company was put on hold amid congressional and regulatory scrutiny. **B1**

◆ **IAC said** it has spent just over $1 billion to build a 12% stake in MGM Resorts, with plans to work with the casino operator to expand its online-gambling business. **B1**

◆ **The Dow rose** for the seventh straight session, gaining 1.3%, while the S&P 500 added 0.3%. The Nasdaq dropped 0.4%. **B9**

◆ **The Trump** administration outlined a plan to commercialize a swath of military radio frequencies for use in 5G networks. **B3**

◆ **Nikola said** it secured an order for 2,500 electric garbage trucks from refuse manager Republic Services. **B4**

World-Wide

◆ **Lebanon's prime minister** and his cabinet resigned under pressure from protests that have sought to overturn the country's political leadership after last week's deadly blast that devastated large parts of central Beirut. **A1**

◆ **China's campaign** to quash dissent in Hong Kong accelerated with the arrest of pro-democracy media baron Jimmy Lai. **A1**

◆ **Beijing said** it would impose sanctions on 11 U.S. citizens, including Republican Sens. Cruz and Rubio, in a retaliatory measure. **A8**

◆ **HHS chief Azar met** with Taiwan's president in Taipei, a trip made amid the increasingly contentious U.S.-China relationship. **A8**

◆ **Trump administration** officials and Democratic negotiators urged each other to return to the negotiating table to craft a broad coronavirus relief package. **A4**

◆ **The federal government** spent nearly $250 billion on enhanced unemployment benefits from early April to the end of July. **A4**

◆ **Confirmed coronavirus** cases topped 20 million globally, while the U.S. reported its lowest number of new infections in about a week. **A6**

◆ **Protests grew in Belarus** over the handling of the presidential vote, in which Lukashenko claimed victory. Russia pressed for stronger ties. **A7**

◆ **Antarctica's ice shelves** are melting faster than they are being replenished, even in areas typically thought to be less vulnerable to climate change, a study said. **A3**

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After Night of Looting, Chicago's Magnificent Mile on Edge

CHRISTOPHER DILTS/BLOOMBERG NEWS

SECURED: Officers blocked streets in downtown Chicago on Monday after hundreds of looters responding to social-media calls descended on the city's upscale shopping area overnight after police shot a man they said had fired at them first. A3

McDonald's Sues Fired CEO, Says He Lied About Conduct

By Heather Haddon

McDonald's Corp. said it is suing former Chief Executive Steve Easterbrook and seeking to recoup tens of millions of dollars it paid in severance and benefits, alleging that he lied to the board about sexual relationships with employees before his ouster last fall.

The fast-food giant dismissed Mr. Easterbrook without cause in November 2019, following an investigation into his conduct. Investigators found he had a short-term, consensual relationship with an employee over text and video, but Mr. Easterbrook denied any physical sexual relationships with McDonald's employees, according to the complaint filed Monday.

Investigators who conducted the review for the company didn't find additional inappropriate communications between Mr. Easterbrook and company employees on his mobile devices and so limited their probe to the consensual relationship, according to a person familiar with the inquiry.

McDonald's reopened the matter after it received an anonymous tip in July about a relationship between Mr. Easterbrook and an employee, according to the lawsuit. An investigation found that Mr. Easterbrook allegedly engaged in three additional relationships with employees that were sexual in nature, including the one that triggered the July inquiry. Investigators found that Mr. Easterbrook destroyed evidence about the sexual relationships and lied about his behavior during the initial investigation last fall, the complaint said.

During its investigation, McDonald's found dozens of sexually explicit photographs and videos of women including the employees that had been sent from Mr. Easterbrook's corporate email account to a personal Hotmail account, according to the complaint and a person familiar with the probe.

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Lebanon Premier, Cabinet Resign

Government's collapse comes as protests intensify following deadly Beirut explosion

By Jared Malsin And Nazih Osseiran

BEIRUT—Lebanese Prime Minister Hassan Diab and his cabinet resigned under pressure from protests that have sought to overturn the country's political leadership following last week's deadly explosion that devastated large parts of central Beirut.

"I set out to combat corruption, but I discovered that corruption is bigger than the state," said Mr. Diab in a televised address on Monday. "I declare today the resignation of this government. God bless Lebanon."

Beirut has been rocked by protests in recent days, with thousands demanding justice for the more than 150 people killed in the blast. The explosion, which occurred when a fire at a warehouse ignited a cache of chemicals, destroyed a swath of the capital's city center, including thousands of homes and businesses, the port of Beirut and much of the city's famed nightlife district.

Rather than resolving the political and economic crisis in Lebanon, the cabinet's resignation is likely to trigger more political instability in one of the Middle East's most important centers of culture and finance and an enclave of relative stability next to war-torn Syria.

"Not only do we have an absence of government and a political vacuum, but we're going to have a severe problem with the function of the state of Lebanon," said Imad

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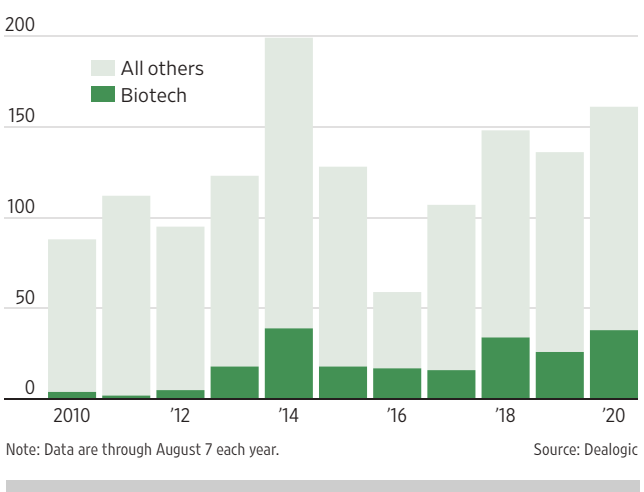
Biotech Stocks Get a Boost

Investors have poured a record $9.4 billion into U.S.-listed biotech IPOs so far this year, amid hopes for a vaccine and expected government investments in drug development. B1

U.S.-listed IPOs by number of deals



Note: Data are through August 7 each year. Source: Dealogic

China Quickly Tightens Grip On Hong Kong With Arrests

By John Lyons And Joyu Wang

HONG KONG—China's campaign to quash dissent in Hong Kong accelerated with the arrest of pro-democracy media baron Jimmy Lai, sending an ominous signal about the future of a free press and the new limits on those challenging Beijing's tightening grip on the former British colony.

Mr. Lai was among 10 swept up Monday, including Agnes Chow, a 23-year-old politician who is well-known for helping to lead pro-democracy protests, in the latest move by authorities to enforce a new national security law imposed on Hong Kong.

China's enforcement of that law is contributing to the rapid deterioration of relations between the U.S. and China. In recent days, the U.S. has sanctioned the city's Beijing-backed leader, Carrie Lam, and other officials. China responded by announcing it would sanction U.S. lawmakers, including Republican Sens. Marco Rubio of Florida and Ted Cruz of Texas, in retaliation.

In a tweet Monday, Secretary of State Mike Pompeo wrote that he was troubled by Mr. Lai's arrest and called it further proof the Communist Party "has eviscerated Hong Kong's freedoms and eroded the rights of its people."

Since early July, when authorities set up a special enforcement bureau in a Hong Kong hotel, democracy-themed books have been removed from libraries, students have been banned from singing songs

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◆ U.S. health chief praises Taiwan, angers Beijing..... A8

What's Salsa Without Dip? A Dull Dance

* * *

Fans say lockdown version is no fun without contact

By Kejal Vyas

BOGOTÁ, Colombia—Salsa dance instructor Yused Taborda shook his hips, sidestepped and sashayed facing a wall in his apartment, seemingly trying to seduce his own shadow, while students watch him dance on a video chat app.

"One, two, three, cha-cha-cha," Mr. Taborda instructed on a recent Saturday night, to the sound of frogs chirping in the background. Eight students, all watching from their own homes, tried mimicking his moves while shooing away their cats and dodging furniture.

The Covid-19 pandemic has

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School Chief Tackles No-Win Reopening

Dallas superintendent makes wrenching choices that administrators face nationwide

By Tawnell D. Hobbs

DALLAS—Schools superintendent Michael Hinojosa stepped on a land mine while laying plans to reopen his 153,000-student district amid the coronavirus pandemic. He wanted teachers instructing from classrooms, even if students were at home, to make sure they stayed focused.

"It is better for us if they come in," Dr. Hinojosa said from his office at Dallas Independent School District headquarters late last month. "It is unprofessional if kids are yelling in the background, dogs barking and husbands walking back and forth."

The teachers' response was swift and clear: His approach would gamble with their lives as Covid-19 runs rampant in the area, citing an Arizona teacher's recent death as an example.

After consulting a county leader, Dr. Hinojosa changed his stance. He would now allow teachers to apply to work from home if they had reliable internet and minimal distractions. He asked a staffer to write new language. "I don't want to have a firestorm," he said.

Dr. Hinojosa's experience shows the heart-wrenching decisions facing superintendents throughout America as

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◆ Protecting hardest hit proves tough..... A6

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U.S. NEWS

EPA to Rescind Methane Rules for Oil and Gas

By Timothy Puko

The Environmental Protection Agency is preparing new rules that would rescind regulations for methane-gas emissions, including ending requirements that oil-and-gas producers have systems and procedures to detect methane leaks in their systems, senior Trump administration officials said.

The rule changes will apply to wells drilled since 2016 and going forward, and remove the largest pipelines, storage sites and other parts of the transmission system from EPA oversight of smog and greenhouse-gas emissions. The changes also ease reporting requirements for the industry and, for some facilities, how often a plant must check for leaks of other pollutants, the officials said.

The new rules, expected to be signed and issued this week, adopt most of the core elements of two proposals from 2018 and 2019. Agency officials are fulfilling a directive by President Trump to ease regulations on U.S. energy producers and have said the rules being eliminated are duplicative of other federal and state rules.

They were adopted in 2016 under former President Obama amid concerns about methane-gas leaks contributing to climate change.

Methane accounts for about 10% of U.S. greenhouse-gas emissions, and it is about 25 times as potent as carbon dioxide in trapping the earth's heat, according to estimates used by the EPA. Agency figures show the oil-and-gas industry has long been the nation's largest emitter of methane, even before the shale boom.

As the drilling boom sent natural-gas production surging, the EPA responded in 2016 with requirements for companies to make plans for reducing emissions at new wells and the pipelines they feed. That included regular checks to close leaky valves, pipelines and tanks in the sprawling network covering millions of miles that supplies home furnaces, power plants, industrial sites and other consumers.

Rescinding these requirements was a priority for small- and midsize oil-and-gas producers, which say the requirements were so costly to meet that it would be unprofitable to drill in some places.

But larger producers, including international giants **Exxon Mobil** Corp., **Royal Dutch Shell** PLC and **BP** PLC, favored retaining the rules, saying a lack of climate regulation undermines their promise that the U.S. natural gas they sell is a cleaner source of energy.

Several states and environmental groups are likely to fight the decision. Basil Seggos, commissioner of New York's Department of Environmental Conservation, on Twitter said his agency would challenge the new rule. And the Environmental Defense Fund, a nonprofit that has often collaborated with the major oil companies on methane, warned that the rule changes would create a risk for U.S. gas sales into Europe, which is moving to tighten emissions laws.

"The Trump EPA's methane rollbacks aren't just bad climate policy, they're a competitive disadvantage for American gas in a world demanding cleaner energy," said Ben Ratner, a senior director at the fund who works with companies on methane reduction.

U.S. WATCH

JULIO CORTEZ/ASSOCIATED PRESS

Crews converged on the wreckage of a fatal natural-gas explosion Monday in Baltimore. Rescuers were continuing to pick through the rubble in search of more survivors.

BALTIMORE

Gas Blast Kills One, Rubble Traps Others

A natural-gas explosion destroyed three row houses Monday in Baltimore, killing a woman and trapping other people in the wreckage.

At least six people were seriously injured as firefighters searched for more survivors.

Dozens of firefighters converged on the piles of rubble. A fourth house in the row was ripped open, and windows were shattered in nearby homes, leaving the northwest Baltimore neighborhood of Reisterstown Station strewn with debris and glass.

"It's a disaster. It's a mess. It's unbelievable," said Diane Glover, who lives across the street. The morning explosion shattered her windows and blew open her front door, bending the frame.

Rescuers were painstakingly going through the wreckage by hand. "We're prepared to be here throughout the night and as long as it takes," Baltimore Fire Department spokeswoman Blair Adams said Monday afternoon. "We're trying to make sure that we comb through every area to determine if there are any victims inside."

Baltimore Gas & Electric Co. spokeswoman Linda Foy said, "Once we make the area safe, we can then begin to make repairs and to also understand what happened."

—Associated Press

AIR TRAVEL

More Guns Found In Carry-on Bags

With air traffic nearing a five-month high, airport security is finding guns in passenger carry-on bags at three times the rate recorded before the pandemic.

And 80% of the guns are loaded.

The discoveries at airports come as U.S. gun sales surge. Analysts believe many of the firearm purchases are being made by first-time buyers.

Officers found 15.3 guns for every million people screened in July, compared with 5.1 per million people in July of last year, the Transportation Security Administration said Monday.

There has been a significant increase in loaded guns at checkpoints, said TSA Administrator David Pekoske. He said screeners are already working in conditions of heightened risks and that "no one should be introducing new ones."

FBI figures show there were more than 3.6 million firearms background checks requested in July, a 79% increase from July 2019.

—Associated Press

MASSACHUSETTS

Dozens of Stranded Dolphins Rescued

About 45 dolphins were stranded on a beach on Cape Cod over the weekend and needed to be rescued, officials said.

The International Fund for Animal Welfare said the dolphins were found stranded by harbor officials in Wellfleet on Sunday.

Stacey Hedman, a manager with the Yarmouth-based group, said a team of about 50 volunteers used beach-ready stretchers to carry nearly a dozen of the dolphins to safety. They also gave the marine mammals IV fluids and vitamins, and deployed boats to guide them back to deeper waters. Two dolphins were in poor health and were euthanized, she said.

The organization said teams were on the lookout Monday to make sure the dolphins don't get stranded again.

—Associated Press

Monthly Budget Deficit Narrows

By Kate Davidson

WASHINGTON—The federal budget deficit shrank last month from a year earlier as households and businesses made tax payments that had been delayed from April, the Congressional Budget Office estimated.

The CBO on Monday said the budget gap last month totaled $61 billion, compared with $120 billion in July 2019, as revenue jumped. The Internal Revenue Service pushed back the April 15 tax-payment deadline in an effort to keep more cash in Americans' wallets in the early weeks of the coronavirus pandemic.

Tax receipts totaled $563 billion, compared with $312 billion in the same period a year earlier, which the CBO attributed to the delayed payment deadlines.

But the agency noted receipts were still down 10% between April and June from a year earlier, reflecting the deep economic downturn triggered by the pandemic.

The deficit for the first 10 months of fiscal year 2020 reached $2.8 trillion, the CBO estimated, $1.9 trillion more than the deficit recorded in the same period last year. Revenues were 1% lower and outlays were 51% higher in the period.

Federal spending has soared after Congress approved trillions in economic relief measures. Outlays totaled $624 billion last month, a 68% increase from the same period last year.

Outlays more than doubled from April through July, after rising 7% in the first six months of the fiscal year, the CBO said.

The CBO has projected the annual deficit could total $3.7 trillion in the fiscal year that ends Sept. 30.

McDonald's Goes After Ex-CEO

Continued from Page One

Mr. Easterbrook had deleted the photos from his company-issued phone, and they weren't discovered during the corporate investigation that triggered his firing, according to the complaint.

"McDonald's does not tolerate behavior from any employee that does not reflect our values," Chris Kempczinski, who succeeded Mr. Easterbrook as CEO in November, wrote in a companywide message Monday.

Mr. Easterbrook didn't respond to requests to comment.

Because McDonald's decided to fire Mr. Easterbrook without cause, he received severance and benefits that he could have been denied had the board found him at fault. Mr. Easterbrook's compensation, benefits and stock were potentially worth nearly $42 million, according to an analysis at the time by executive-pay firm Equilar.

Board efforts to recover compensation from CEOs for activities and statements pertaining to their termination are unusual, said Steven Hall, managing director of pay consulting firm Steven Hall & Partners.

Patrick McGurn, special counsel to proxy-advisory firm Institutional Shareholder Services, said such clawbacks are rarely so sweeping or so public. "This isn't your standard clawback," he said.

Mr. Easterbrook, appointed CEO in 2015 helped McDonald's streamline operations and modernize. He also took part in a culture of partying and fraternizing among some senior managers and rank-and-file employees, The Wall Street Journal previously reported, citing some former employees and people currently connected to the company.

McDonald's hired outside counsel last year to investigate the consensual relationship between Mr. Easterbrook and an employee. Investigators found evidence of sexting, or sending explicit content via messaging apps, between the two over several weeks.

Attorneys also searched the backup data for Mr. Easterbrook's company-issued phone and iPad but found no evidence of improper relationships with other employees, according to the complaint and a person familiar with the investigation. Investigators reviewed company email on Mr. Easterbrook's phone but not additional messages that weren't stored on his devices, the person said.

McDonald's alleged in its suit that Mr. Easterbrook approved a stock grant to an employee with whom he was having a sexual relationship. The grant was valued at hundreds of thousands of dollars, according to the suit.

In the suit, McDonald's said its severance plan with Mr. Easterbrook included a provision that it can stop payment of benefits and require the former CEO to pay back severance if it determined at any time that he committed an act that would have allowed him to be fired for cause. The company said a firing for cause could be carried out in case of a serious violation of its standards and employment policies, along with dishonesty, fraud, illegality or moral depravity.

At the time of his firing, Mr. Easterbrook said that the consensual affair was a mistake, and that he agreed with the board's decision to dismiss him. Mr. Easterbrook also said at the time that he hadn't engaged in other relationships with employees, according to McDonald's.

DREW ANGERER/GETTY IMAGES

Steve Easterbrook in 2019.

McDonald's said in the complaint that to have fired Mr. Easterbrook for cause last year, it would have had to prove that his behavior had constituted "dishonesty, fraud, illegality or moral turpitude."

At the time, board members felt they lacked evidence to justify firing him for cause, the complaint said.

After receiving the anonymous tip in July, McDonald's brought in outside counsel again to investigate.

McDonald's said in the complaint, filed Monday in the Court of Chancery of the State of Delaware, that Mr. Easterbrook breached his fiduciary duties as a company officer and committed fraud.

The company said it is seeking to recover the amount it paid him in compensation and severance benefits. It is also seeking to prevent him from exercising stock options.

Some shareholder groups had criticized the board's decision to categorize the firing as without cause despite conduct that violated longstanding company policies forbidding relationships with direct and indirect reports. Proxy-advisory firm Glass Lewis advised shareholders this year to vote against the company's executive pay package given the severance afforded to Mr. Easterbrook.

That payout included $700,000 in cash severance to Mr. Easterbrook. Total compensation, including equity awards, amounted to $17.4 million in 2019.

Stockholders in May approved total compensation and equity awards for Mr. Easterbrook.

Mr. Kempczinski, who served under Mr. Easterbrook as the head of McDonald's U.S. business, pledged to overhaul the company's culture after assuming the job in November.

He outlined his plans to renew company values during a virtual summit late last month.

CORRECTIONS & AMPLIFICATIONS

China holds roughly $1.1 trillion of Treasurys. A Business and Finance article Monday about U.S. government bonds incorrectly said China held about $1.8 trillion.

Around 30 million workers were receiving extra jobless payments from the federal government in mid-July. In some editions Thursday, a U.S. News article about enhanced unemployment benefits gave the figure as more than 12 million.

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Ice Shelves In Antarctica Melting Fast

By Daniela Hernandez

The ice that hangs off the edge of Antarctica and floats on the ocean is melting faster than it is being replenished, even in pockets of East Antarctica typically thought to be less vulnerable to climate change, according to a study published Monday.

These structures, known as ice shelves, shed nearly 4,000 gigatons of their mass between 1994 and 2018, according to the new research, which leveraged nearly 25 years of satellite measurements of ice thickness. It echoes findings of numerous previous studies reporting the retreat and destabilization of Antarctic ice shelves but goes further, helping scientists understand the processes driving the melt around the entire continent over longer time periods and with high spatial resolution.

Antarctic ice loss can reverberate across the entire planet, changing global weather patterns, the researchers and other experts said.

The study, published in the journal Nature Geoscience, is part of a relatively new scientific discipline that aims to understand how the ocean interacts with ice sheets. Ice sheets are massive swaths of ice that cover Antarctica and Greenland. The edges of ice sheets can spill over onto the ocean, forming ice shelves.

Ice-shelf meltwater doesn't directly contribute to sea-level rise. Instead, the structures slow down the movement of ice flowing from the interior of the continent out to sea. The smaller they are, the less they hold back the flow and the faster ice on land can reach the ocean. That extra ice is what drives increases in sea levels.

"One of the biggest unknowns when we think about the future prognosis of ice-sheet response...is really what's happening at the ice-ocean interface. It's one of the parts of the polar ice-sheet system that we know the least about," said Michele Koppes, a glaciologist at the University of British Columbia, in Vancouver, who wasn't involved in the study.

She and others said the new work is a significant step toward mapping out where, when, how and how fast the melt of Antarctica's ice shelves is happening underwater. Unlike in Greenland, where most of the melt is happening on the surface, Antarctica's ice is largely melting from below.

The researchers showed that the mechanism and rate of ocean-driven melt differed by location. The melt rate also wasn't uniform across time: Most of the loss occurred in a period of less than a decade, in the mid-2000s, after which it continued but at a slower rate.

Ice shelves abutting the Weddell Sea to the east of the Antarctic Peninsula, including the Ronne and Filchner ice shelves, melt at depths of thousands of meters, where the pressure is extremely high. That lowers the melting point of ice to less than minus 2 degrees Celsius. Much of the water around Antarctica is already above that temperature, naturally increasing the rate of melt, according to Susheel Adusumilli, a geophysicist at the University of California, San Diego's Scripps Institution of Oceanography and the study's lead author.

"At great depths, it's easier to melt the ice....That's been known for a long time, it just hasn't been mapped before" with this level of detail, he said.

The analysis showed Ronne and Filchner weren't losing as much mass as other ice shelves around the continent, including Getz in West Antarctica, considered the most vulnerable region to climate change.

Melting at Getz and in East Antarctica's Totten Ice Shelf is driven mostly by a different process. Their underbellies are enveloped by warmed ocean waters with temperatures of 2 to 3 degrees Celsius. With climate change, more warm water seeps to greater depths, increasing the proportion of the ice shelf that is vulnerable to melting.

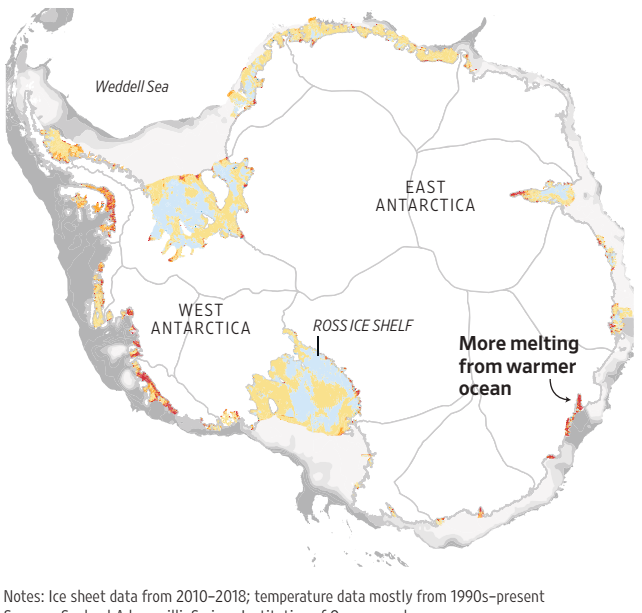
Some areas seem to be more at-risk than others due to yet-unknown causes. The satellite data revealed melting is concentrated in narrow regions in some parts of the continent.

JEREMY HARBACK/NASA/ZUMA PRESS

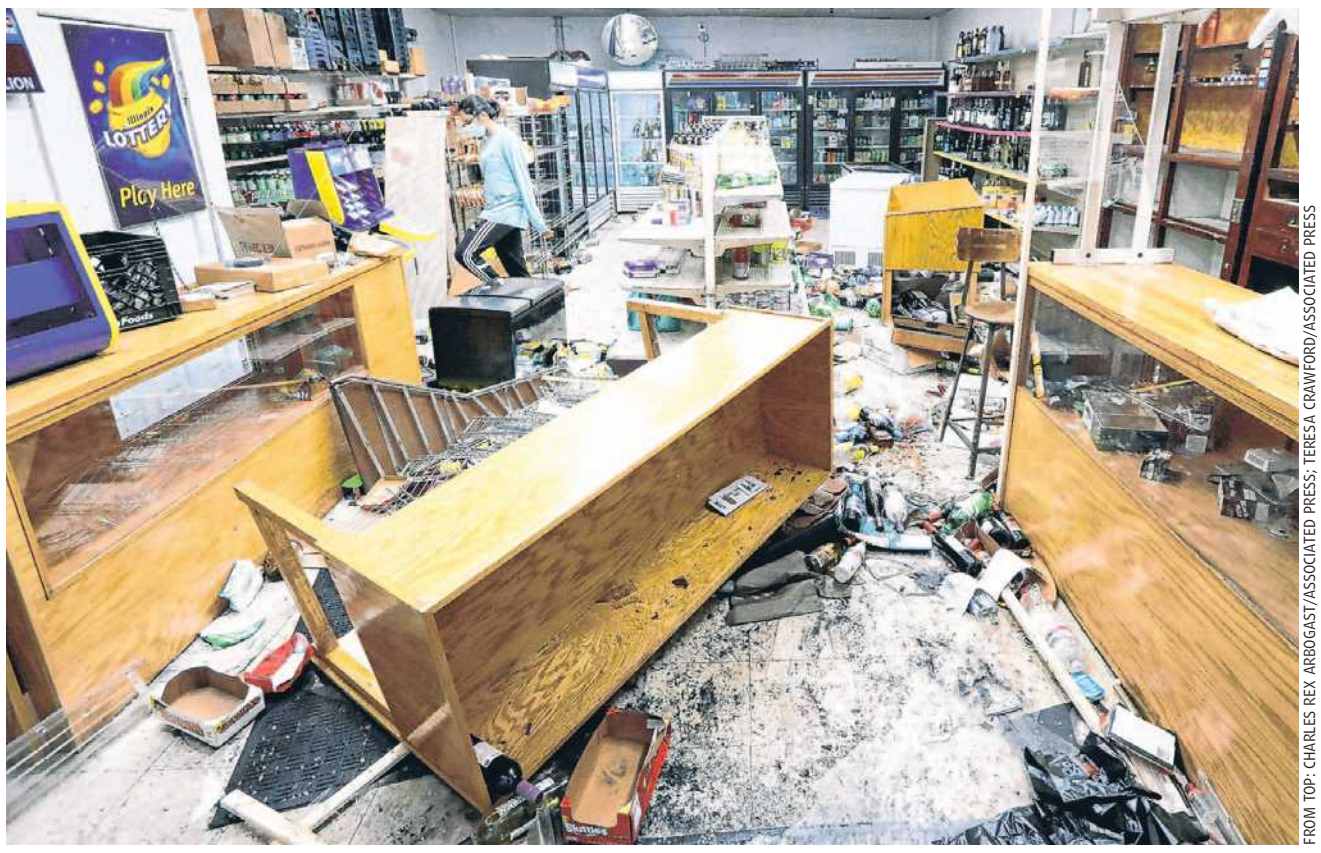
The Getz Ice Shelf in West Antarctica, shown in 2016, is considered to be the most vulnerable region to climate change. Antarctic ice loss can reverberate across the entire planet.

Mapping Antarctica's Hidden Melt

Much of Antarctica's ice loss is happening underneath the surface, where ice that hangs off the edge of the continent touches ocean water.



Notes: Ice sheet data from 2010–2018; temperature data mostly from 1990s–present
Sources: Susheel Adusumilli, Scripps Institution of Oceanography; Matthew R. Siegfried, Colorado School of Mines; Nature Geoscience



FROM TOP: CHARLES REX ARBOGAST/ASSOCIATED PRESS; TERESA CRAWFORD/ASSOCIATED PRESS

Kajal Dalal walked through her family's vandalized store in downtown Chicago on Monday. Below, a display window is boarded up.

Chicago Boosts Police Presence After Night of Looting and Unrest

By Joe Barrett And Erin Ailworth

CHICAGO—Chicagoans steeled themselves for the possibility of more unrest after hundreds of looters responding to social-media calls descended on the city's upscale Magnificent Mile and other shopping areas overnight following the police shooting of a man who officers said had fired on them first.

The scene Monday in parts of Chicago was reminiscent of the days following the Minneapolis police killing of George Floyd on May 25: broken windows at looted mom-and-pop shops and big retail chains alike, roads closed to traffic to contain the violence, and increased police presence in affected neighborhoods.

As shop owners and volunteers swept up glass Monday morning, many downtown streets and highway ramps remained closed.

On Monday, Chicago's police superintendent, David Brown, ordered limited access to downtown between 8 p.m. and 6 a.m. and said he would deploy officers to other neighborhoods to prevent further looting. Police on Monday night said there were no reports of unrest.

On Monday afternoon, Alen Music, owner of KEA Construction, was reinstalling the boards at a Floyd's Barbershop in the Lincoln Park area. It was the fifth business he had boarded up that day. Mr. Music said he thought the looting has left people "frustrated and pissed off, to be honest, more than scared."

The looting started late Sunday on the city's heavily Black South Side, a few miles from the site of the shooting. Some on social media speculated that the initial looting was just a diversion, as looting quickly spread north to the Michigan Avenue shopping district, where stores like Neiman Marcus and Nike Chicago line the streets. It extended as far north as Lincoln Park, a mostly white and affluent area hit in the first wave of unrest after the death of Mr. Floyd.

Chicago shootings are up roughly 50% year-to-date compared with the same period of 2019. There were 31 shootings over the weekend, including three homicides, police said. Through Aug. 2, the city has seen 450 murders so far this year, up from 291 in the same period last year, a 55% increase. Amid a surge in crime across the country, Chicago has accounted for one of eight murders in major cities.

"It's starting to look like it did a couple of months ago," said Tracey Flaherty, a 34-year-old marketer, noting the newly boarded-up businesses in her neighborhood of Lincoln Park.

Police said the looting was sparked by a shooting that happened around 2:30 p.m. local time Sunday, when Chicago police tried to confront a man matching the description of a person seen with a gun.

The 20-year-old ran and shot at pursuing officers, police said. Officers fired back and hit him, they said. The suspect was transported to a hospital and expected to survive.

Police identified the suspect in the shooting as Latrell Allen of Chicago and said he was charged with two counts of attempted first-degree murder and felony possession of a firearm. Police said a gun was recovered from the scene.

Mr. Brown, the Chicago police Superintendent, said Monday that a crowd of protesters gathered at the site of the shooting and that anger rose as misinformation spread through the crowd.

"This was not an unarmed juvenile, unfortunately, as being propagated on social media," Mayor Lori Lightfoot said Monday.

"Tempers flared fueled by misinformation as the afternoon turned into evening," Mr. Brown said.

The police found multiple social-media posts urging looters to converge on downtown in a caravan of cars, he added.

Overnight, police deployed 400 officers to quell the looting. Police also raised downtown drawbridges, closed freeway ramps and made more than 100 arrests in the early-morning hours.

Notre Dame Begins Unusual Fall Term

By Melissa Korn

On Friday night, Stephanie Swegle and her roommate participated in a near-sacred activity for University of Notre Dame students: They watched the movie "Rudy."

The first-year students sat in the stands of the football stadium next to each other, wearing masks. About 6 feet away, another set of roommates settled in for the feel-good flick. Six feet from there, another pair.

Ms. Swegle, an 18-year-old biology major from Seattle, had an odd introduction to college life but her experience at Notre Dame, which brought students back last week and started classes on Monday, offers a preview for what others may expect.

Hundreds of thousands of students will descend on campuses around the country in coming weeks, beginning their fall terms under unprecedented circumstances. Move-in is tightly scheduled, and parents are discouraged from lingering too long as they say their goodbyes. Masks are a must. Orientation events are conducted outdoors, in small groups, or virtually.

This summer, many colleges and universities revised their reopening plans, shifting classes online and discouraging students from coming to campus as the coronavirus pandemic continued to spread across the country. On Thursday, Johns Hopkins University said undergraduate instruction would move online; a day later, Princeton University said it would have a virtual fall for all undergraduates, rather than bringing first-year students and juniors back to campus.

Yet some institutions, including the University of Michigan and Louisiana State University, will welcome students back on campus. All are making at least some adjustments, like having large lectures online or requiring students to sign up for a time to pick up their lunch. Many also have asked students to sign contracts agreeing to follow public-health guidelines, like not hosting or attending large parties.

Notre Dame required that students submit a negative Covid-19 test result within seven days before arriving on its South Bend, Ind., campus. Unlike many other colleges, it doesn't plan on conducting mass testing of asymptomatic students throughout the term and didn't require students to quarantine themselves for a period upon arrival. As of Friday, the school said it had one positive case on campus, and six other people in quarantine as a precautionary measure.

Hundreds of students and faculty have signed a petition requesting that the school conduct more widespread testing, expressing concern about virus exposure as students travel from around the country after taking their tests. Indiana's seven-day positivity rate is 5.2%, according to the latest data on the state's health-department website.

Notre Dame said it has taken many precautions in reopening the campus to students, including deep-cleaning facilities, stocking 10,000 gallons of hand sanitizer and repurposing auditoriums to space out larger classes.

It also has plastered campus with more than 50,000 signs reminding people to wash their hands, wear masks when they are in proximity to others and to stay 6 feet apart when possible. They have images of Touchdown Jesus, marking 6 feet between raised arms.

Upon arrival, students got welcome bags stocked with a refillable bottle of hand sanitizer, a thermometer and a set of cloth Notre Dame face masks. Students can pick up food from dining halls but must eat elsewhere, including in outdoor tents erected around campus. And they will have assigned seats in classrooms to help with contact tracing in case other students test positive.

"I'm really excited to be on campus," said Sam Anderson, who drove with his family from Couer d'Alene in northern Idaho last week. His mother stocked him with a giant container of hand sanitizer, Lysol spray and disinfecting wipes.

Still, there is a nagging worry in the background. "I'm nervous there could be a hot spot in South Bend and things could get out of control pretty fast," Mr. Anderson said.

Virus Testing Still Isn't Making the Grade

CAPITAL JOURNAL
By Gerald F. Seib

When the history of the coronavirus crisis is written, the absence of a national testing strategy to better slow the virus's spread while speeding the reopening of the economy and schools may go down as the biggest government failure.

In some respects, testing in America looks like a success story. Almost six months into the crisis, the U.S. does more coronavirus tests than any other country. The Centers for Disease Control and Prevention reports that some 65 million tests have been done to date.

Yet the U.S. has a mishmash of testing efforts that vary widely from state to state. Results often are so slow to arrive that millions of those tests have been rendered nearly useless. Those who are tested could be unwitting carriers of the disease while they wait for results, which helps explain the summertime virus resurgence.

Crucially, a new generation of somewhat less accurate but cheaper and more rapid screening tests is becoming available, yet the CDC has yet to provide full guidance on how best to use them, public-health activists say. Reopening schools safely would be far easier if rapid tests were widely available, along with a plan on how best to use them.

Billions more dollars would be needed to rectify these problems, yet Congress is gridlocked and has failed to pass a new coronavirus stimulus bill with such funds. The executive orders President Trump has signed in recent days to fill the gap don't address testing, and he has said testing is a problem for the states.

"We can still get this right," says Rajiv Shah, president of the Rockefeller Foundation, which first proposed a national testing program in April. "But it requires a paradigm shift." As a nation, the U.S. now is doing 4.5 million tests a week; the Rockefeller Foundation plan calls for ramping that up to 30 million. Given that it likely will be four months or more before a vaccine is available, the incentive to improve testing remains high.

"We need, above all, an effective national testing strategy—something the nation sorely lacks today," the foundation said in the latest update of its plan.

JESSICA PONS FOR THE WALL STREET JOURNAL

Health-care workers tested patients at a pop-up Covid-19 testing location in Los Angeles in July.

Here is a real-life story that illustrates where we are: A man was scheduled to go on a week's family vacation at the beginning of the month, and, in an attempt to be sure it was safe to gather, all family members took coronavirus tests in advance. Because the vacation was planned for Massachusetts, which requires a test within 72 hours before visitors arrive in the state, the test was scheduled three days before the start of the vacation.

Those three days passed with no test result provided. Then the full week of vacation came and went, still with no result. Twelve days after the test was taken, and after family members had dispersed back to their homes, there still was no result. If the man actually was carrying the virus, he had no way of knowing. Not only would other family members have been at risk, they all could have carried the virus back to their own communities. This potential for unwitting spread is one reason the U.S. has seen a summertime spike in cases.

Beyond that, the disparities in testing availability are on vivid display every day. NBA players and White House officials can get daily tests and instant results, but average Americans can't. The coronavirus is hitting particularly hard in minority communities, yet testing is harder to find for people there, particularly because they may not be able to afford the consultation with a doctor often required before a test is approved.

The Trump administration stresses the need for an economic recovery from the coronavirus plunge, yet the lack of a more effective testing strategy is hampering the effort. Indeed, the value of rapid testing in accelerating economic activity is becoming more clear as more is learned about the disease.

The real goal of testing is "to identify people and take them out of the chain of transmission when they are positive," says Mr. Shah. One of the most crucial lessons learned about the coronavirus recently is that almost half of the spread of the disease is done by people who aren't yet showing any symptoms and that most asymptomatic spread occurs in the first few days after the virus has been contracted. That finding underscores the urgency of identifying those who are carrying the virus but not showing symptoms, and rapidly taking them out of circulation.

Widespread use of antigen tests, which detect proteins associated with the virus in less than an hour without the need for laboratory work, would be a big help. With that in mind, seven states, with aid from the Rockefeller Foundation, last week formed a compact to jointly purchase millions of these rapid-result tests. That's a step forward—but not the same as a national strategy to do the same.

BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY IMAGES

A Secret Service agent told President Trump to leave the White House briefing room Monday. He returned a short time later.

Trump Evacuated From Briefing Room

By Rebecca Ballhaus

WASHINGTON—President Trump was abruptly escorted from the briefing room minutes into a news conference after shots were fired outside the White House on Monday.

A Secret Service agent interrupted the president's prepared remarks about the stock market and told him, "Sir, we're just going to have to step outside."

"Excuse me?" Mr. Trump asked.

"Step outside," the agent repeated.

The president returned to the briefing room soon afterward and told reporters he had been taken to the Oval Office out of an abundance of caution. He said law-enforcement officials had shot a suspect. "It seems to be very well under control," he said.

Mr. Trump said he felt safe and that the episode "might not have anything to do with me." He said that he asked to return to the briefing room and that he didn't believe the perimeter around the White House had been breached.

The Secret Service in a tweet later Monday evening confirmed that an officer had been involved in a shooting near the White House.

In a subsequent tweet, the agency said a man and a Secret Service officer were both transported to a local hospital. "At no time during this incident was the White House complex breached or were any protectees in danger," the agency added.

Both Parties Press For a Resumption Of Aid Negotiations

By Natalie Andrews And Sarah Chaney

WASHINGTON—Administration officials and Democratic leaders urged each other to return to the negotiating table to craft a broad coronavirus package after President Trump's executive actions on jobless and other aid, though neither reached out to the other.

Treasury Secretary Steven Mnuchin said he believed states could start rolling out additional federal unemployment payments within two weeks, as officials made clear that states could provide $300 a week in federal funds for unemployed workers without adding any of their own funds. The initial plan released Saturday had envisioned a total weekly payment of $400, with states kicking in $100.

"We don't have to do that," Mr. Trump said at a news briefing, referring to the state funding. "So we'll see what it is, depends on the individual states."

The executive actions came after negotiations between Republicans and Democrats on a new aid package ended Friday at a stalemate.

Administration officials have accused congressional Democrats, led by House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer, of making unreasonable demands in negotiations for the next round of relief. "Any time they want to meet, they're willing to negotiate, have a new proposal, we're more than happy to meet," said Mr. Mnuchin.

Democrats, who have backed $3.5 trillion in new spending, said that Mr. Trump acted illegally, breaching congressional spending authority with the executive orders, and that his plan wouldn't provide enough relief to the unemployed. They argue Republicans are aiming too low with their $1 trillion aid package.

"I hope saner voices in the Republican Party will prevail and say, 'Sit down with Pelosi and sit down with Schumer,' " Mr. Schumer said on MSNBC. "We are not going to settle for some skimpy thing that doesn't work."

Mr. Trump signed four executive actions over the weekend aimed at providing jobless aid, suspending the collection of payroll taxes, avoiding evictions and assisting with student-loan payments.

The congressional talks broke down even as the economic stakes of failing to reach an agreement escalated. Housing advocates say tens of millions of Americans could potentially lose their homes in the coming months after a federal eviction moratorium and a $600 weekly supplement to unemployment benefits—which Democrats want to extend—ran out at the end of July.

$250 Billion Spent on Extra Jobless Benefits

By Eric Morath

The federal government spent nearly $250 billion on extra $600-a-week unemployment benefits from early April to the end of July, the Labor Department said, as millions of workers were laid off because of the coronavirus pandemic.

Workers who permanently lost their jobs, were furloughed or had their hours cut were able to tap $600 in federal unemployment benefits on top of the amount they qualified for from the state, under a relief law Congress passed and President Trump signed in March.

The benefits expired on July 31. Mr. Trump on Saturday signed an executive order that would replace the larger payments with $300 a week in enhanced unemployment benefits, and called on states to provide an additional $100 a week.

Individuals tapping regular state programs, the largest source of benefits, at the beginning of August saw weekly payments decline to near the $332 average weekly payment made under those programs in the past year. Self-employed and gig workers—who don't usually qualify for unemployment assistance—saw a steeper decline in payments.

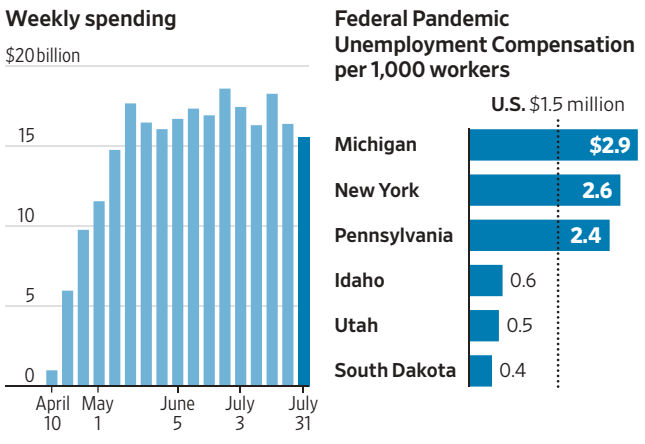
The $600 payments, known as Federal Pandemic Unemployment Compensation, were paid out to states starting the first full week of April. The peak week for payments came the week that ended June 26, when $18.6 billion was distributed, according to Labor Department data requested by The Wall Street Journal. That equates to about 31 million $600 payments that week, though a Labor Department spokeswoman said weekly amounts might include back payments.

California received the largest total amount, $38.4 billion, and South Dakota received the least, $177.1 million, according to the Journal's analysis.

Michigan received the largest amount of benefits when adjusting for the size of the labor force in February 2020, before the pandemic took hold in the U.S. The state received $2.9 million per 1,000 workers in the state. It was followed by New York and Pennsylvania. Nationally, about $1.5 million in benefits were paid per 1,000 workers, counting both the employed and unemployed.

Michigan was among states with the most unemployment applications in March and April when auto-factory shutdowns rippled through the manufacturing-heavy state. Those plants have since been allowed to reopen.

The federal government spent nearly $250 billion on the $600 weekly enhancement to jobless benefits that expired July 31.



Note: Dates are week ending. Compensation totals are based on February 2020 labor force.
Sources: Labor Department (spending); analysis of Labor Department data (compensation)

Biden Expected to Pick Running Mate Midweek

By Tarini Parti And Ken Thomas

WASHINGTON—Joe Biden's allies have been told to expect an announcement midweek revealing his choice of running mate, according to a person familiar with the process, and multiple people said his search committee has finished its work.

Mr. Biden, the presumptive Democratic presidential nominee, has been considering a group that includes California Sen. Kamala Harris, former Obama national security adviser Susan Rice, Rep. Karen Bass (D., Calif.), Michigan Gov. Gretchen Whitmer, Massachusetts Sen. Elizabeth Warren and Illinois Sen. Tammy Duckworth.

Mr. Biden's decision as he challenges President Trump has been closely watched and could play a major role in the Democratic Party's leadership for years to come. The woman Mr. Biden chooses would be well-positioned to succeed the 77-year-old former vice president as the head of the party. If Mr. Biden wins, his running mate would become the first woman to serve as vice president.

People familiar with the process said the four-member search committee wrapped up its vetting of the candidates. The committee included former Connecticut Sen. Chris Dodd, Los Angeles Mayor Eric Garcetti, Rep. Lisa Blunt Rochester (D., Del.) and Cynthia Hogan, a former Apple Inc. vice president.

Mr. Biden spent the weekend at his vacation home in Rehoboth Beach, Del., returning to his Wilmington, Del., residence to appear at a fundraiser Monday.

The women under consideration have faced intense scrutiny in a process that up until the final weeks was unusually public. The campaign has consulted groups that help women get elected to office to prepare for what they believe will be sexist attacks, a person familiar with the discussions said.

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Protecting Hardest Hit Proves Tough

By Charity L. Scott

Health officials and activists have faced challenges making coronavirus information, testing and treatment available to members of some communities hit hardest by Covid-19, confounding efforts to stop the virus.

Immokalee, Fla., near Fort Myers, is suffering from one of the state's highest coronavirus tolls because many residents work essential jobs that don't allow social distancing. The local health department's calls for mask wearing and other precautions weren't accessible to many residents who lack internet access and speak indigenous languages, a community-group leader says.

Likewise, few residents of a predominantly Black neighborhood in St. Augustine, Fla., have undergone testing, despite hundreds of cases in the area because sites are too far to reach by foot or bike, according to a local official. And underfunded hospitals in the Navajo Nation in the Southwest were forced to fly out the sickest Covid-19 patients, the nation's president says.

Local groups, health agencies and hospitals said they are taking action to overcome the hurdles. Their challenges, however, are adding to difficulties tackling the fast-spreading virus as cases surge in many parts of the U.S., while threatening an even heavier toll on communities home to some people most vulnerable to the virus.

Black, Latino and Native American populations are among the hardest hit by Covid-19, according to the Centers for Disease Control and Prevention.

Black people account for a fifth of coronavirus cases and Latinos for nearly a third, according to the CDC data, though they represent about 13% and 19% of the U.S. population, respectively. Meantime, Native Americans are hospitalized at a rate 5.3 times more than whites after adjusting for age, while Black and Latino people are hospitalized more than 4.5 times whites.

Among the big factors behind the disproportionate impact, said Sandro Galea, dean of the Boston University School of Public Health, many community members work in essential jobs like farming, food processing and construction that can't be done remotely or by social distancing. Cases are also more likely to spread because sizable numbers live relatively close to each other, if not in the same house or apartment.

Dr. Galea said many people in these communities have limited access to testing and doctors. And many are also at higher risk of developing severe cases because they suffer from conditions like heart disease, asthma and diabetes, he said.

"The disproportionate rates of Covid is largely due to the fact that these communities have much greater exposure, but also because recognizing that risk, we have not put in place compensatory mechanisms to offer testing, services and opportunities for information to these communities," Dr. Galea said.

In Immokalee, the Coalition of Immokalee Workers faced challenges encouraging hand washing, social distancing and wearing masks because residents speak several different languages and some can't read well, according to Silvia Perez, one of the group's leaders.

The local health department publishes materials to its website in English, Spanish and Haitian Creole but many Immokalee residents don't have internet access and some don't speak any of those languages, Ms. Perez said.

At one point in June, the ZIP Code that includes Immokalee had the largest number of coronavirus cases in Florida, outstripping more populous ZIP Codes in the state's major cities. As of Saturday, more than 2,100 cases were attributed to the area, according to the local health department.

The coalition rewrote some of the health department's materials and then translated them into 10 languages spoken by residents, Ms. Perez said.

In the West Augustine neighborhood of St. Augustine, local officials have struggled to help residents undergo testing because the test sites aren't accessible on foot or by bike, said Robert Nimmons IV, chairperson of the local development board. The nearest one is 3 miles away, and can't be reached without crossing a major highway, he says.

As a result, few of West Augustine's predominantly Black residents are undergoing testing, Mr. Nimmons said. The ZIP Code that includes the West Augustine neighborhood had 504 cases as of Saturday, making it a county hot spot, according to Florida Department of Health data.

"With the rise in cases that's going on in Florida now, we know that could be a problem here, and the biggest issue here is the testing," he said.

Misinformation about Covid-19 among their congregations prompted Black churches in Rochester, Minn., to seek the Mayo Clinic's help to disseminate the facts, said LaPrincess Brewer, a preventive cardiologist at the hospital.

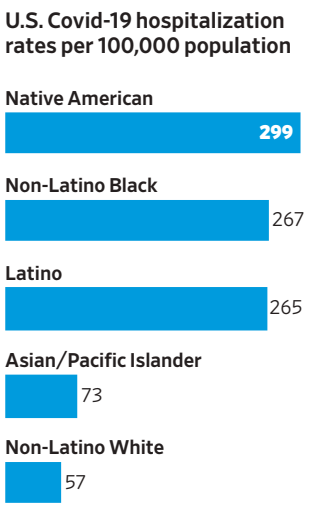
Some community members were open to rumors, such as the erroneous idea that Black people are immune to the virus, due to longstanding distrust of health authorities resulting from a history of unethical experimentation, Dr. Brewer said.

Since April, Dr. Brewer has been working with Black churches and other local organizations to explain how the coronavirus is spread, what precautions to take and how to recognize symptoms in church newsletters, through webinars and on social media.

ROSE MARIE CROMWELL FOR THE WALL STREET JOURNAL

Elbin Sales Pérez and Yecenia Solorzano, who both contracted the coronavirus, with their children in Immokalee, Fla., one of the state's hardest-hit areas. Robert Nimmons IV says testing sites in the West Augustine area of St. Augustine are inaccessible to many.

U.S. Covid-19 hospitalization rates per 100,000 population



Note: March 1–July 25
Source: Centers for Disease Control and Prevention

CHARLOTTE KESL FOR THE WALL STREET JOURNAL

Global Infections Surpass 20 Million

By Allison Prang And David Hall

Confirmed cases of the new coronavirus surpassed 20 million globally, while the U.S. reported its lowest number of new cases in about a week, as new infections in some parts of the country trended down.

Fewer than 47,000 new cases were reported Sunday in the U.S., while the total number of confirmed cases exceeded five million, according to data compiled by Johns Hopkins University.

Thirteen states—Arkansas, Hawaii, Idaho, Illinois, Indiana, Kansas, Minnesota, New Hampshire, North Dakota, South Dakota, Texas, Vermont and Virginia—have higher seven-day averages of new confirmed cases than two-week averages as of Aug. 9, according to a Wall Street Journal analysis of Johns Hopkins data. That held true for 42 states and Washington, D.C., a month earlier, reflecting a decline in reported cases in many parts of the country.

The accumulation of five million cases shows how the U.S. has handled the pandemic less efficiently than elsewhere around the world, said Jeff Morris, professor and director of biostatistics at the Perelman School of Medicine at the University of Pennsylvania.

"Our focus this summer should have been to get our viral levels down as low as possible by the end of summer" for schools to open safely, Mr. Morris said. "That really hasn't happened."

President Trump has defended his response to the pandemic, saying, "I think we're just doing very well."

Issues over reopening schools during the pandemic have split Americans, and superintendents face hard decisions as they try to educate children while navigating an array of opposing forces.

Kentucky Gov. Andy Beshear, a Democrat, said Monday the state was recommending that schools wait to begin in-person classes until Sept. 28, citing a rise in cases over the past five to six weeks and an increasing number of infections in children, among other things.

"To send tens of thousands of our kids back into in-person classes when we don't have control on this virus isn't the right thing to do for our kids," Mr. Beshear said.

Hospitals' Policies Come Under Religious-Rights Scrutiny

By Stephanie Armour

The Trump administration has stepped up interventions in complaints by patients and health workers who say they have been victims of discrimination under policies that hospitals and other health organizations have adopted to combat the coronavirus.

As the Department of Health and Human Services' Office for Civil Rights has intervened in the complaints, it has been negotiating settlements and issuing guidance to remind health organizations, states and local governments about their responsibilities under federal law.

Some legal experts say the agency is overstepping its statutory authority. Lawyers who advocate for religious rights disagree and say the actions are legally sound.

The office cites laws it says give it authority to intervene in religious-discrimination claims when health organizations get federal money. They also point to the Religious Freedom Restoration Act of 1993, which essentially prohibits the federal government from substantially burdening a person or institution's religious exercise. "This is a time when the safeguards are put under stress," Roger Severino, head of the Office for Civil Rights, said in an interview.

Some legal experts and advocates said the office's actions in religious discrimination claims involving hospitals stand on shaky legal ground, saying its interpretation of the law is overly broad and is risky during a public-health emergency.

"HHS has no statutory authority to be enforcing its policy choices about religion and how to handle religion in health care," said Richard Katskee, legal director at Americans United for Separation of Church and State, a litigation and advocacy group.

Luke Goodrich, vice president and senior counsel at the Becket Fund for Religious Liberty, a Washington, D.C., nonprofit that defends religious freedom, said the agency had authority because most large hospitals get federal funding. He added that protecting religious freedoms was critical even during a pandemic—and can be done safely. "You don't have to put religion and public health against each other," he said.

The Office for Civil Rights intervened after a complaint was filed June 11 on behalf of a medical student who was doing rotations at Staten Island University Hospital, in New York City. The complaint said the hospital required him to shave his beard so that he could wear a protective mask. The student said shaving would violate his religious commitment to not cut his hair.

The civil-rights office said it communicated with the student and provided technical assistance to the hospital. The office said the hospital then granted the student an accommodation and let him wear an alternative form of protection called a Powered Air Purifying Respirator that he could wear with a beard.

Christian Preston, a hospital spokesman, said, "When he raised concerns over his religious needs, immediate steps were taken to understand and make an accommodation that adhered with his cultural and spiritual beliefs so he could continue his medical studies, safely." At no point was the student asked to shave his beard, Mr. Preston said, but he was informed about safety guidelines that state a user must be clean shaved to be appropriately fit tested for an N95 mask. He said the student was reassigned to rotations in non-Covid-19 areas until a powered air-purifying respirator could be provided instead of an N95 mask.

In another complaint, Sidney and Susanna Marcus suffered severe injuries in a car accident on Memorial Day and got treatment at Prince George's Hospital Center, in Maryland. While Mrs. Marcus's condition improved, her husband's condition worsened, and he was put on a ventilator because of the accident. Neither of the Marcuses had Covid-19.

Mrs. Marcus asked a priest to visit her husband at the hospital to administer the sacrament of anointing the sick, which has been known as last rites. But the hospital system, University of Maryland Medical System, had implemented a policy banning visitors because of the pandemic, according to a June 9 complaint Mrs. Marcus filed with the office. The priest, who had agreed to wear personal protective equipment, wasn't allowed in, according to the complaint.

"I didn't know much about his condition, we couldn't communicate, and I was very fearful for his condition," Mrs. Marcus said. "We believe in the sacraments, our souls are united in God, and I needed to know he had access to that."

The Office for Civil Rights provided technical assistance to the hospital, and HHS officials said the hospital system subsequently agreed to change its policy, allowing clergy to see patients. The system didn't dispute the details of the complaint. "We have since amended our policy, with all individuals visiting a Covid-19 positive patient provided a form acknowledging the risk, and will allow clergy visits with adherence to safety protocols," said University of Maryland Medical System spokeswoman Jania Matthews.

Legal experts said the agency's use of the Religious Freedom Restoration Act as the basis for its authority is unusual.

Robert Tuttle, a research professor of law and religion at George Washington University's Law School, said championing religious rights during a pandemic risked endangering others. "It risks the health and safety of others," Mr. Tuttle said. "What's happening under the current administration, and HHS is the poster child, is a shift to religious freedoms no matter who suffers collateral damages from it."

The Office of Civil Rights also became involved in the spring in disputes over rationing decisions involving ventilators to ensure they weren't discriminatory. In July, it issued reminders against discrimination to health-care providers that get federal funding, including hospitals and state agencies. The guidance included instructions to ensure minorities didn't face longer wait times for care and weren't denied access to intensive care.

The office has taken a number of steps to champion religious rights, including a rule that enables health-care providers to refuse to perform, accommodate, or assist with certain health-care services on religious or moral grounds. A federal judge in Manhattan blocked the rule in November, saying it exceeded the agency's authority. HHS is appealing.

NATE PALMER FOR THE WALL STREET JOURNAL

Susanna Marcus holds a photo of herself and husband Sidney Marcus. Mrs. Marcus asked a priest to visit her husband at the hospital, but the hospital system at the time had banned visitors due to the pandemic.

WORLD NEWS

Putin Seeks to Bolster Ties With Belarus

As presidential election results spark nationwide protests, Russia offers support

By Ann M. Simmons

ASSOCIATED PRESS

Police and protesters faced off Sunday in Minsk after disputed early presidential election results.

MOSCOW—As protests grew in Belarus over the handling of the weekend's presidential election, Russia moved swiftly to congratulate President Alexander Lukashenko for his electoral win and press for stronger ties with its neighbor ahead of what is expected to be a second night of protests.

Russia and Belarus are closely linked by language and culture. Belarus once was a Soviet state and is strategically located in the center of Eastern Europe, on Russia's western flank. In recent years, Mr. Lukashenko has sought a closer relationship with Europe and the U.S., annoying the Kremlin.

But now Russian President Vladimir Putin appears to detect an opportunity to re-establish its influence in Belarus by shoring up Mr. Lukashenko after an unprecedented wave of protests following Sunday's vote. In his message to Belarus's leader, Mr. Putin said he hoped the two countries would expand their integration, building on strong economic and security ties.

"Putin's calculus is that as Lukashenko faces a growing challenge from the Belarusian population...he has nowhere to turn other than Moscow," said Dmitri Trenin, director of the Carnegie Moscow Center, a think tank. Some of Mr. Lukashenko's own supporters might be willing to drop him after 26 years in power, Mr. Trenin said.

A preliminary count Monday awarded the veteran leader 80% of the vote, despite rising anger about his management of the struggling economy and a growing list of alleged human-rights violations. Tens of thousands of people poured into the streets of the capital, Minsk, and other cities, clashing with riot police, after exit polls projected a landslide win for Mr. Lukashenko.

Monday brought another day of demonstrations, with police again moving in to detain protesters nationwide.

Many protesters said the election results were incredulous, as did Mr. Lukashenko's main opponent, Svetlana Tikhanovskaya. A 37-year-old first timer who stepped into the ring to unite the opposition after her husband, a popular YouTuber, was arrested for allegedly inciting unrest, she won just under 10% of the vote. He was one of three opposition candidates who were barred from contesting the vote.

Ms. Tikhanovskaya told reporters in Minsk on Monday that she is the legitimate winner of the election and urged a peaceful transition of power. Neither Ms. Tikhanovskaya nor her campaign could be reached to comment.

Independent online pollsters had reported exit polls giving Ms. Tikhanovskaya up to 86% of the vote.

Mr. Lukashenko said Monday that authorities wouldn't allow Belarus to be ripped apart by instability, the Belarusian state news agency, Belta, cited him as saying.

The dispute sets the stage for a confrontation between the two sides that could drive Mr. Lukashenko closer to Moscow, tilting the center of gravity in Eastern Europe further in Mr. Putin's favor—at least if the Belarusian leader survives.

The widening crackdown is driving a wedge between the Belarusian president and the U.S. and Europe, which had been trying to build a closer relationship with Minsk to balance Russia's growing influence in the region.

The European Union condemned the actions of riot police. The U.S. urged the Belarus government to refrain from the use of force.

"Lukashenko will be a much weaker figure even if he remains president," said Daragh McDowell, head of Europe and principal Russia analyst at Verisk Maplecroft, a firm specializing in global risk.

If Mr. Lukashenko were to fall, political analysts said Russia would be eager to see a compliant partner installed in Minsk. "Belarus is too important for Russia to give it up," Mr. Trenin said. "Thus, Belarus as a tug of war between Russia and the West seems the likely future for that country."

WORLD WATCH

NIGER

Gunmen Are Sought In Killing of Tourists

Armed forces from Niger and France are pursuing the gunmen who killed seven aid workers, mostly French citizens, and a leading guide in a Niger giraffe park considered one of the safer places in the West African nation.

The group had been on a day of sightseeing Sunday when they were attacked just before noon, according to one of the aid groups they worked for, Paris-based NGO ACTED. An ambulance sent by the French military stationed in Niger found the bodies later in the day in their burned-out vehicle in the giraffe reserve in Koure, the group said.

The victims were six French citizens and one Nigerien working for ACTED and Geneva-based IMPACT Initiatives. The other victim was their Nigerien guide.

Niger's Interior Minister Alkache Alhada said Monday that the area around Koure has been cordoned off by Niger's army and French soldiers from Operation Barkhane. French prosecutors said they opened a probe onto "murders in relation to a terrorist undertaking."

The NGOs condemned "the senseless and barbaric killing of our colleagues and their guide."

—Associated Press

GERMANY

Nazi Camp Guard's Appeals Are Dropped

All appeals against the conviction of a 93-year-old Nazi concentration camp guard have been dropped, a Hamburg court said Monday, making the decision legally binding and easing the way for possible future prosecutions.

Bruno Dey was convicted last month of 5,232 counts of accessory to murder in Hamburg state court—equal to the number of people believed to have been killed at Stutthof during his service there in 1944 and 1945.

Because he was 17 and 18 at the time of his crimes, Mr. Dey's case was heard in juvenile court and he was given a two-year suspended sentence.

Mr. Dey was convicted under new legal reasoning that even though there was no evidence linking him to a specific crime, as a camp guard he was guilty of accessory to murders committed while he was there.

His conviction is now considered legally binding, after his attorney and three people who had joined the trial as co-plaintiffs decided to retract their appeals, the Hamburg state court said.

That eases the way for more possible prosecutions of concentration camp guards even though it has been 75 years since the end of World War II.

—Associated Press

MALAYSIA

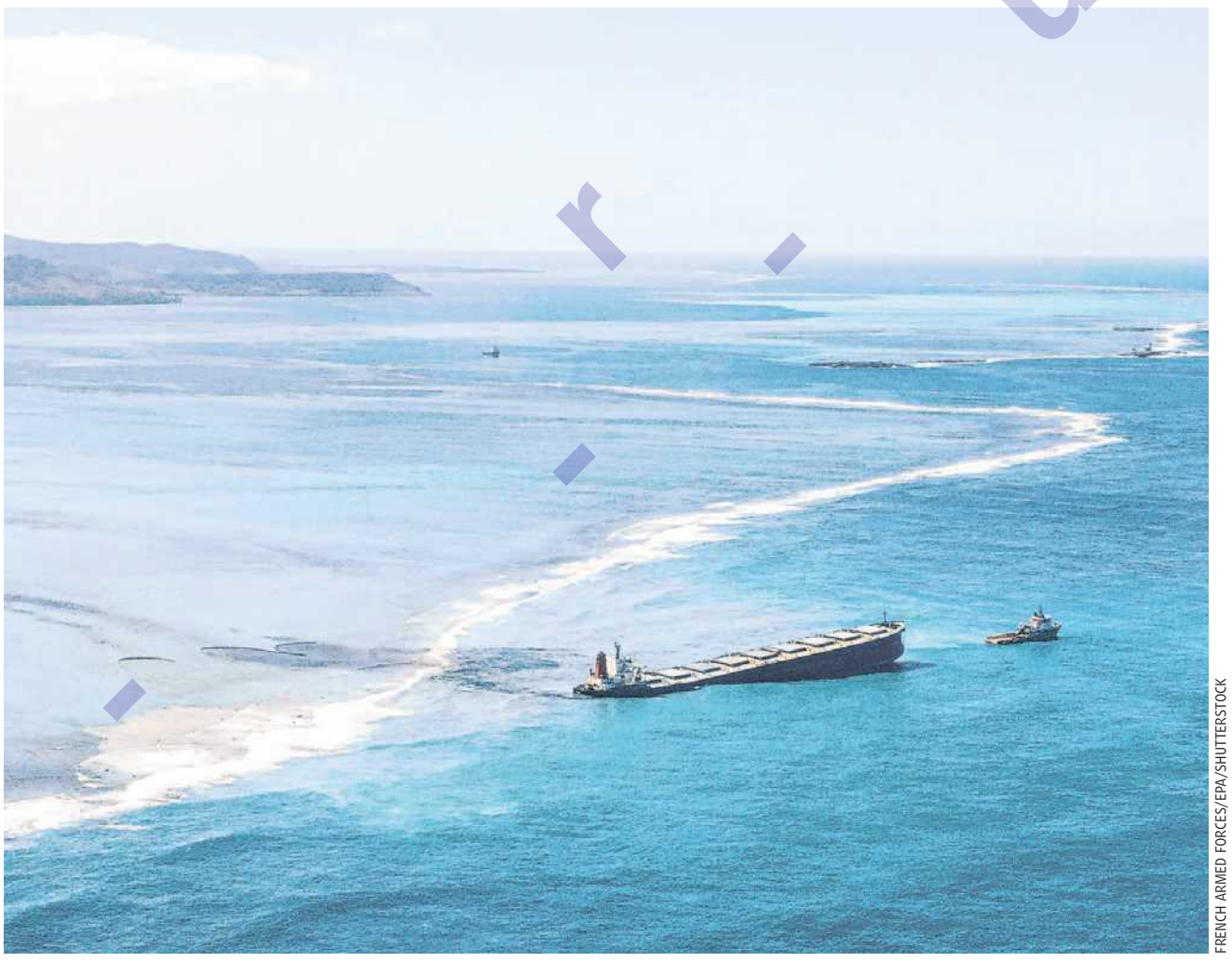
Ex-Finance Minister Faces New Charge

Malaysia's former finance minister pleaded not guilty Monday to a second corruption charge related to a $1.5 billion undersea tunnel project and slammed the case as a trumped-up charge by the new government.

Lim Guan Eng was first charged Friday with soliciting 10% of potential profits in 2011 as a bribe for the project planned in northern Penang state. On Monday, he was accused of abusing his power as Penang chief minister to obtain 3.3 million ringgit ($786,000) as inducement to help a local firm secure the construction contract. The project was approved during Mr. Lim's tenure as Penang chief minister from 2008 to 2018, before he became Malaysia's finance minister.

—Associated Press

Mauritius Struggles to Contain Oil Spill From Grounded Tanker



FRENCH ARMED FORCES/EPA/SHUTTERSTOCK

Rescue teams are racing to pump an estimated 3,000 metric tons of oil from a Japanese-operated bulk carrier stranded on a coral reef off Mauritius before the ship breaks up entirely.

The 984-foot-long MV Wakashio is slowly coming apart after running aground on July 25. Already, more than 1,000 metric tons of bunker fuel have spilled out, polluting coral reefs, lagoons and pristine shoreline along the Indian Ocean island's southeast coast.

Stormy conditions are complicating the cleanup. Helicopters have been deployed to help with the effort.

Rescue workers are attempting to maneuver other vessels close to the stricken Wakashio to speed up the operation.

France has sent a navy ship and technical advisers from the island of Réunion to assist after Mauritius appealed for help, using oil-trapping nets, pumps and other equipment to deal with the spill.

Akihiko Ono, executive vice president of Mitsui O.S.K. Lines, which operates the tanker, has apologized for the accident and said the company will do all it can to help with the recovery.

It is a race against time, however. Mauritius's Prime Minister Pravind Jugnauth said cracks along the hull of the vessel had grown and that it could break in half.

Meanwhile, thousands of volunteers have gathered along the coast to build improvised barriers made from straw brooms and other materials to help prevent the thick oil from reaching the shore. Environmental experts have said the damage in many affected areas is significant and could take years to repair.

The economic toll also could be significant. Before the pandemic, Mauritius and its 1.3 million people had been heavily dependent on tourists who come to experience the ecological diversity of its reefs, beaches and mangrove forests.

—Costas Paris

Government Collapses In Lebanon

Continued from Page One

Salamey, a political scientist at Lebanese American University in Beirut. "We are heading toward the unknown."

Following the resignation, Mr. Diab's cabinet becomes a caretaker government with limited powers until a new government is formed, which is expected to occur through a pact among the rival political factions. In the past, it has taken months to form a cabinet as the nation's parties hammer out a deal that satisfies a complex set of political interests and religious groups. Mr. Diab said over the weekend that he would request early elections, but no timeline has been set for a vote.

Before Mr. Diab resigned, Lebanon's political factions withdrew support for the government and a series of key officials quit the cabinet in recent days, including the ministers of finance, justice and health.

The cabinet's dissolution shows how much the Lebanese public has turned against political leaders, including politicians from a range of religious and political factions. For many Lebanese, the explosion symbolized government ineptitude that underpinned an economic crisis in recent months.

The resignation is unlikely to resolve the crisis. Lebanon's economy remains in free fall, and protesters have demanded an overhaul to the entire political system, not simply a replacement of the government.

Lebanon's constitution is designed to share power among the country's Christians, Sunni and Shiite Muslims and other religious groups. Many of Lebanon's political leaders are former warlords from the civil war in the 1980s, and many Lebanese now view the entire political class as responsible for decades of corruption and neglect that culminated in last week's explosion.

Lebanon's political system is also an arena for competition among regional powers such as Iran and Saudi Arabia, as well as France. Iran is a sponsor of Hezbollah, the Shiite-led armed group that is also Lebanon's most powerful political party. Iran's rival, Saudi Arabia, has a history of ties with Lebanon's Sunni Muslim politicians.

SAM TARLING FOR THE WALL STREET JOURNAL

Antigovernment protests intensified in Beirut on Monday.

Mr. Diab's government lasted less than eight months. It was formed in January after the former prime minister, Saad Hariri, stepped aside in late 2019 under pressure from protests that demanded political overhauls and an end to corruption.

Lebanon's government was under intense pressure before the blast. Multiple deep-rooted problems—from an economic tailspin to rolling power cuts and spreading hunger—have shaken the country severely. The explosion capped a series of crises that have underlined the government's failure to address Lebanon's most pressing challenges. Over the weekend, thousands of demonstrators surged into central Beirut, marching on government buildings and briefly seizing control of a series of ministries before security forces retook the buildings.

"The people demand the fall of the regime!" chanted a large crowd of demonstrators in downtown Beirut on Sunday night as some shot fireworks at ranks of security officers, who fired tear gas.

Protests continued Monday, with demonstrators clashing with security forces that fired tear gas outside parliament. At least 25 protesters were injured in the clashes, according to the Lebanese Red Cross.

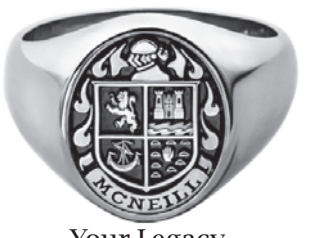
Foreign leaders were also putting pressure on the Lebanese government. President Emmanuel Macron of France, who visited Beirut following the blast, has called for an international investigation. He said the United Nations, not the Lebanese government, would handle hundreds of millions of dollars in aid that foreign countries pledged Sunday.

The Lebanese public has blamed the country's political leaders for the blast, which occurred after a store of explosive chemicals ignited in the port of Beirut on Aug. 4, killing more than 150 people and injuring thousands of others. The 2,750 metric tons of the explosive ammonium nitrate had sat at the port for years after it was loaded off a leaking ship.

Lebanese leaders sought to deflect blame over the blast by endorsing a probe that has so far homed in on junior officials.

Before the blast, Lebanon was experiencing its worst economic crisis in decades, along with an accelerating coronavirus outbreak and recurring antigovernment protests. The country's ballooning debt, its banking sector's collapse and a lockdown imposed to curb the virus have intensified those economic troubles. Lebanon's poor and middle class have been the worst hit by the crisis, with many going hungry as sections of the country went dark during long power cuts. The country is also suffering from hyperinflation and soaring unemployment.

JOHN CHRISTIAN



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U.S. Health Chief Praises Taiwan, Angers Beijing

During a rare visit, Alex Azar cites success in handling the Covid-19 pandemic

By Chun Han Wong

HONG KONG—A rare meeting between the top U.S. health official and Taiwan's president in Taipei helped Washington firm up ties with the island democracy, while tiptoeing close to a red line in its increasingly contentious relationship with Beijing.

Health and Human Services Secretary Alex Azar relayed a message of support from the White House and praised Taiwan's Covid-19 actions in his meeting Monday with the island's leader, Tsai Ing-wen.

"Taiwan's response to Covid-19 has been among the most successful in the world, and that is a tribute to the open, transparent, democratic nature of Taiwan's society and culture," Mr. Azar told Ms. Tsai, in an apparent swipe at China and its authoritarian system.

Ms. Tsai welcomed Mr. Azar's presence as a sign of Taipei's strengthened relations with Washington—Taiwan's main arms supplier and a key informal ally for resisting Beijing's efforts to assimilate the island. "Your visit testifies to the fact that over the past 40 years or so Taiwan-U.S. relations have never been better," she said.

About an hour before Ms. Tsai met with Mr. Azar, the most senior U.S. official to visit Taiwan in four decades, China dispatched jet fighters into airspace near the island, according to Taiwan's Defense Ministry. The Taiwanese air force tracked the Chinese warplanes with air-defense missiles and drove them away with its own aircraft, the ministry said.

The trip came amid a steady deterioration in ties between Washington and Beijing as tensions ratchet up between the two powers over issues spanning trade, technology and global influence. The Covid-19 pandemic also has been a source of friction, with President Trump suggesting without evidence that China deliberately spread the pathogen to damage the U.S. economy and China's government accusing Mr. Trump of trying to shirk responsibility for his handling of the crisis.

The status of Taiwan, which Beijing claims as its own, is among the most delicate issues in the U.S.-China relationship, and one that even the Trump administration has tried to handle carefully.

The Communist Party has sought to gain control of the island since Mao Zedong's forces seized power on mainland China in 1949 and drove Chiang Kai-shek to relocate his Nationalist government to Taiwan. Washington cut formal ties with Taipei in 1979, when it switched to recognizing the Communist government in Beijing, though the U.S. has committed to helping Taiwan defend itself.

A Chinese foreign ministry spokesman, addressing a routine briefing on Monday, repeated Beijing's exhortations for Washington to cease official contacts with Taipei and "avoid seriously damaging China-U.S. relations as well as peace and stability in the Taiwan Strait."

TAIWAN PRESIDENTIAL OFFICE/REUTERS

Alex Azar and President Tsai Ing-wen, right, met Monday as tensions grew between the U.S. and China.

Mr. Azar is the first U.S. cabinet official to visit Taiwan since 2014, when then-administrator of the Environmental Protection Agency Gina McCarthy led a delegation to the island. The choice of a lower-level cabinet secretary largely conforms with past practice. Both Republican and Democratic administrations have avoided sending secretaries of State, Defense or Treasury to Taipei, which is likely to trigger a much more forceful response from Beijing.

In sending Mr. Azar, the Trump administration also seized a chance to highlight the remarkable success Taiwan has enjoyed in limiting the Covid-19 contagion while using less-coercive methods than China, where the pandemic first erupted.

Taiwan has confined its outbreak to 480 confirmed cases and seven deaths so far among a population of nearly 24 million. Health experts credit the island's strict border controls and quarantine processes, as well as widespread mask wearing and compliance with social-distancing measures.

Ms. Tsai has tried to tap this success to burnish Taiwan's global image and counter China's campaign to diplomatically isolate the island. In recent months, she and her government sought to portray Taiwan as an energetic contributor to international public health, offering medical expertise and donating masks and supplies to foreign governments.

APPLE DAILY/GETTY IMAGES

A search at the headquarters of Apple Daily in Hong Kong on Tuesday, after the arrest of media mogul Jimmy Lai.

Hong Kong Arrests Aim At Dissent

Continued from Page One

deemed political, and a prominent law professor and democracy activist was removed from his university job. Election authorities disqualified 12 opposition candidates from a September legislative election, before postponing the election for a full year, citing the Covid-19 pandemic.

The arrest of Mr. Lai, the outspoken publisher of the popular Apple Daily news, was the biggest move yet under the new law, but it wasn't a surprise to him. He predicted he would be among the law's first targets.

"Whatever we write, or whatever we say, they can label secession or subversion or whatever they decide according to their expedience," Mr. Lai told The Wall Street Journal hours before the law was enacted on June 30.

Yet the public way it was carried out suggests authorities were using it to send a chilling message. Hundreds of Hong Kong police officers participated in a raid of the Apple Daily newsroom, all of it livestreamed by staffers being kept away from their cubicles by officers manning a cordon line. Police brought a handcuffed Mr. Lai into the newsroom at one point during the raid.

"Everyone, let's mentally prepare. The road ahead will be darker and more terrifying than what we've imagined," Sunny Cheung, a pro-democracy activist who traveled to Washington last year, wrote on his Facebook account following Mr. Lai's arrest.

Mr. Lai, in his early 70s, has been an unapologetic critic of the pro-Beijing leadership in Hong Kong, a semiautonomous Chinese city. During last year's protests, the paper was a must read for pro-democracy Hong Kongers, who are in the majority, according to polls. The paper printed posters for some protests and had published investigations into senior police officials for allegedly violating local land-use laws.

In the interview, Mr. Lai said China's crackdown would erode the rule of law in Hong Kong and destroy the city's status as a global financial center.

"Billions of dollars are transacted in seconds here, and without the rule of law there will not be mutual trust, and without mutual trust, transactions of billions in seconds are impossible," he said. "I am sure that in five years Hong Kong will not be what it is today."

The series of arrests Monday morning included Mr. Lai's two sons and four employees from his publishing company. Later in the day, police arrested Ms. Chow, along with two others. Over the weekend, Ms. Chow had posted on social media that suspicious men were surveilling her home.

At a news conference Monday night, Hong Kong Police Senior Superintendent Li Kwai-wah said the 10 arrests were part of an investigation into foreign collusion and alleged fraud. The police official alleged that some of those arrested were involved in a group that had sought to persuade foreign countries to introduce sanctions on Hong Kong.

Mr. Lai has angered China as a promoter of free speech and a critic of Beijing.

The national security law, which places special emphasis on preventing foreign influence on Hong Kong affairs, makes lobbying overseas governments for sanctions and other measures a crime. The law isn't retroactive.

Both Mr. Lai and Ms. Chow were prominent figures in a full-court press on Washington last year by democracy advocates who sought to encourage U.S. lawmakers to pass legislation, including the Hong Kong Human Rights and Democracy Act, designed to protect Hong Kong by authorizing sanctions if China eroded its autonomy.

The arrests of Mr. Lai and Ms. Chow may add a personal dimension to worsening U.S.-China relations, as several U.S. officials have met them. For example, Mr. Lai met with Vice President Mike Pence and Mr. Pompeo last year.

Before Monday's arrest, Mr. Lai was already facing charges, including unlawful assembly, for participating in large marches that drew hundreds of thousands into Hong Kong's streets last year. The national security charges are more consequential.

Although he expected the crackdown to be harsh, he also vowed to remain in Hong Kong.

"They want to intimidate me, to frighten me to leave, so that I disgrace myself, discredit Apple Daily and undermine the solidarity of the pan-democrat movement," Mr. Lai said on June 30. Newspaper officials late Monday said they were scrambling to put out a paper Tuesday.

China Retaliates, Imposing Sanctions On 11 Americans

By Sha Hua

China said it would impose sanctions on 11 U.S. citizens, including Republican Sens. Ted Cruz and Marco Rubio, in retaliation for similar measures by Washington against Hong Kong and mainland Chinese officials on Friday.

The measure is the latest volley in a diplomatic spat between the U.S. and China that has involved closing consulates in Houston and the southwestern Chinese city of Chengdu and a previous round of reciprocal sanctions. President Trump has also been turning up the pressure on China on several fronts, holding military exercises in the South China Sea and signing a pair of executive orders that would restrict transactions involving two China-based smartphone apps, TikTok and WeChat.

China's foreign ministry didn't offer details on what the sanctions would entail. The move appears to be largely symbolic and restrained, as most of those listed had been targeted by Beijing before.

"In response to the erroneous actions of the U.S., China has decided to impose sanctions today on those individuals who behaved badly on Hong Kong-related issues," Zhao Lijian, China's foreign-ministry spokesman, said on Monday.

China had already announced punitive actions against Sens. Cruz and Rubio and other U.S. officials last month after the Trump administration penalized senior Chinese officials over the treatment of Uighur Muslims in the far-western Xinjiang region.

The U.S. then blacklisted the Xinjiang Production and Construction Corps, a paramilitary organization that runs large-scale farms and other businesses in the region.

In a commentary on Sunday, the Global Times, a state-backed nationalistic tabloid, urged Beijing to show restraint with the U.S. The editors called on the Chinese government to refrain from tit-for-tat actions just to gain the moral high ground, arguing that many of the U.S. moves were driven by the coming presidential election. "If we ignore those actions and meet them mainly with ridicule, then we might gain more international support than be directly confronting them," the editorial said.

The foreign ministry's Mr. Zhao also listed, among others, the heads of five U.S.-based nongovernmental organizations, including Kenneth Roth of Human Rights Watch, Carl Gershman of the National Endowment for Democracy, and Michael Abramowitz of Freedom House.

They, too, had already been subjected to sanctions in December because of their pro-democracy stance on Hong Kong shortly after President Trump signed the Hong Kong Human Rights and Democracy Act into law to monitor the city's autonomy. Mr. Roth had been refused entry to Hong Kong in January. Members of the Trump administration weren't included.

Besides Messrs. Cruz, of Texas, and Rubio, of Florida, Beijing also imposed sanctions on Republican Sens. Tom Cotton of Arkansas, Josh Hawley of Missouri and Pat Toomey of Pennsylvania, as well as Rep. Chris Smith (R., N.J.). All are hawkish on China and have urged the U.S. government to adopt harder stances toward Beijing, such as sanctions on Chinese officials for their actions in Xinjiang or Hong Kong, or their role in the spread of the coronavirus.

"Last month China banned me. Today they sanctioned me. I don't want to be paranoid but I am starting to think they don't like me," Mr. Rubio tweeted in response to the news of Beijing's measure on Monday morning.

Mr. Roth, on Twitter Monday morning, called the move "little more than an effort to distract attention from its wholesale assault on the rights of the people of Hong Kong."

White House press secretary Kayleigh McEnany called China's move a "symbolic and ineffectual action" in a briefing on Monday, but declined to say whether the president would respond.

APPLE DAILY/GETTY IMAGES

Police lead Jimmy Lai through the Apple Daily headquarters Monday.

Apple Daily Founder Is Longtime Party Critic

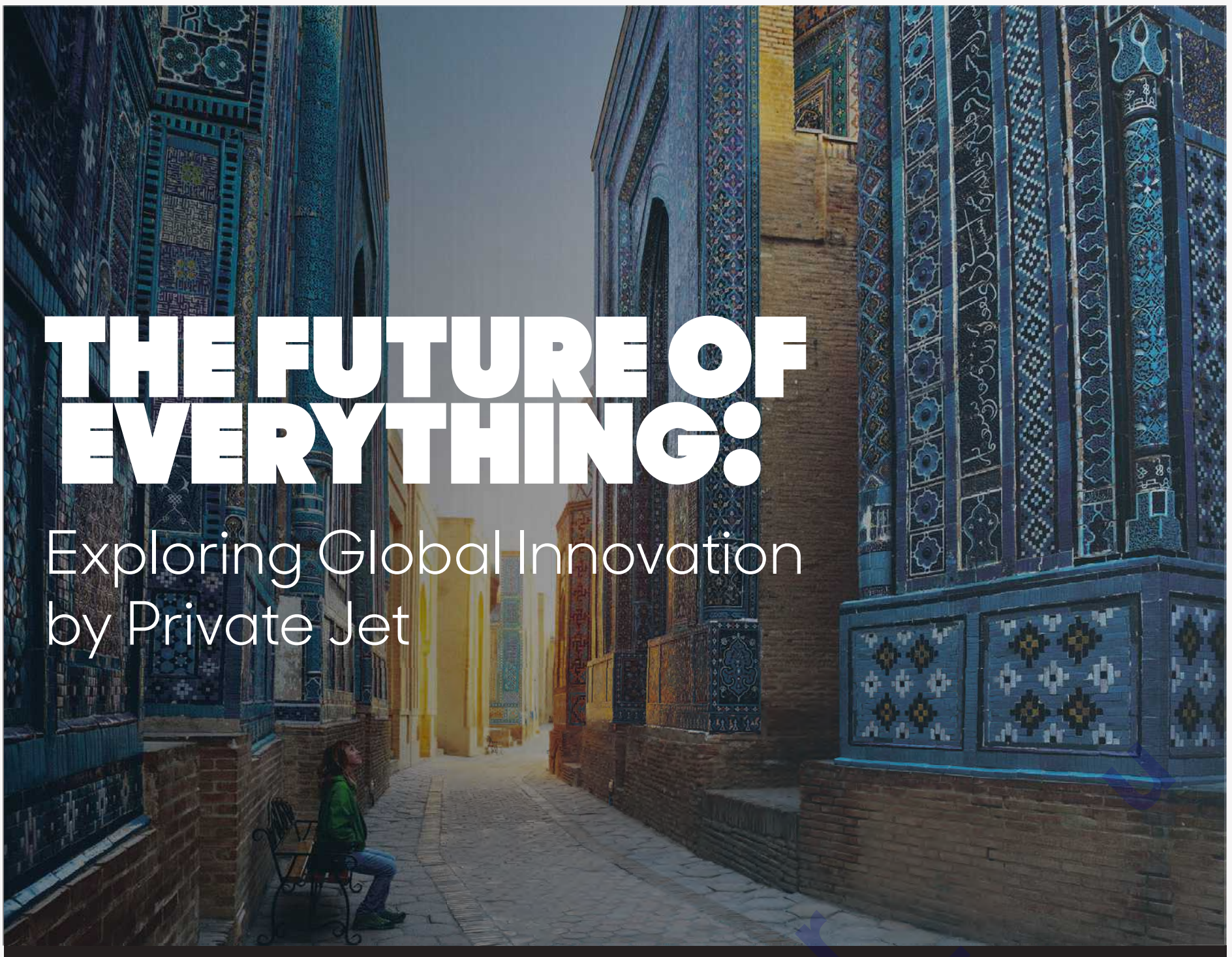
Hong Kong media mogul Jimmy Lai, founder of the popular Apple Daily newspaper, was arrested Monday morning at his residence on allegations of foreign collusion under China's national-security law. His two sons and four employees from his media company were also arrested, and about 200 police officers raided the newspaper's newsroom.

The media mogul is the founder of **Next Digital**, which publishes Apple Daily as its flagship newspaper, which regularly criticizes China's leaders and supported last year's protest movement. He has been a longtime critic of China's ruling Communist Party and in recent weeks has taken to doing a weekly Q&A with viewers on his Twitter account. He financially supported the city's pro-democracy politicians.

Born in 1948 in the southern Chinese province of Guangzhou, neighboring Hong Kong, Mr. Lai fled the mainland at age 12. He traveled to Macau, then a Portuguese colony, and smuggled himself to Hong Kong, which was under British rule. In 1981 he established a clothing chain, called Giordano, which became popular in Hong Kong and mainland China as well as overseas. He used the fortune it made him to found his first magazine—"Next Weekly," a gossipy tabloid magazine—and later, in 1995, founded Apple Daily, which became increasingly political in content. As a consequence, he saw his mainland shops shut.

Police have said only that Mr. Lai was arrested with other Next employees on suspicion of colluding with foreign forces to interfere with China's national security in Hong Kong, without providing specifics. But his arrest was no surprise. When China introduced the National Security Law on June 30, many commentators and pro-Beijing groups said Mr. Lai would be a top target.

Mr. Lai met U.S. Secretary of State Mike Pompeo in the White House in July 2019 to discuss Hong Kong's political situation as residents of the city staged mass protests against a since-withdrawn bill that would have enabled criminal suspects to be sent from the city to mainland China for trial. Mr. Lai also met Vice President Mike Pence on the trip, which drew condemnation from top Chinese officials.



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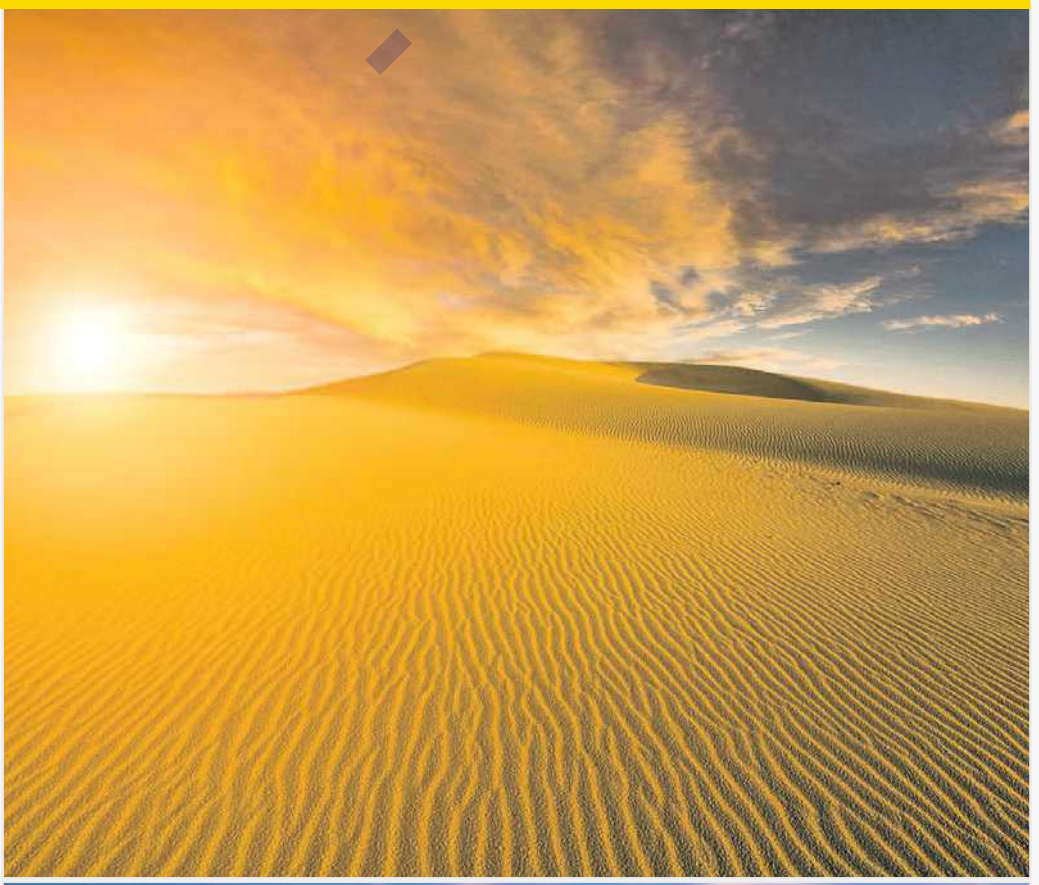

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FROM PAGE ONE

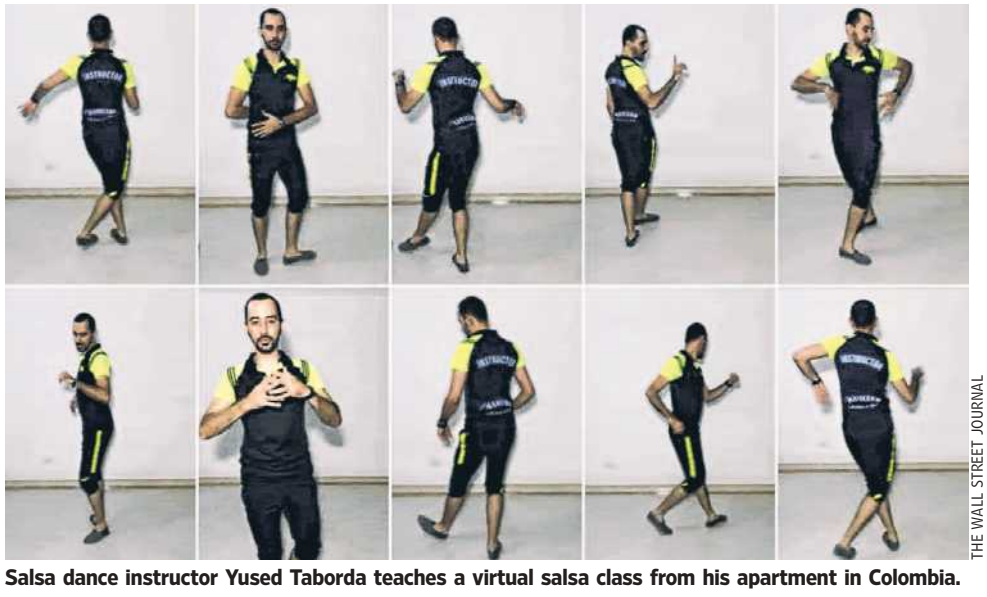
Salsa Goes Solo in Pandemic

Continued from Page One

forced people in much of the world to keep their distance from one another. That is especially hard for fans of salsa, the sensual style of dancing that was born in the Latin American and Caribbean enclaves of New York and has become a passion for millions.

"It's a very serious problem," said Jorge Iván Ospina, the mayor of Cali, Colombia, calling the art of dancing in pairs the preferred form of communication among his constituents. "It's how we seduce, how we flirt, how we have a personality. Dancing solo is a break in our social fabric."

Few places take salsa as seriously as Cali, which calls itself the world's salsa capital. Blessed with a perpetual spring climate, the city of 2.2 million people boasts some 120 dance academies and 3,000 bars, lounges and restaurants, many of which convert into salsa venues at night.



THE WALL STREET JOURNAL

Salsa dance instructor Yused Taborda teaches a virtual salsa class from his apartment in Colombia.

But after five months of lockdown, nearly one-quarter of Cali's nightlife spots, including some iconic ones, have gone bankrupt, according to the Bars Association of Colombia. More are likely to follow as the number of Covid-19 cases in Cali rises.

Amid the troubles, salsa schools and even some nightclubs are trying to reinvent themselves by holding online dance classes and parties.

Those classes have been vital for Cali natives such as Juan Sebastian Baños, who until recently was quarantined for more than four months on the 17-deck cruise ship where he works as a chef, docked much of the time more than 6,000 miles away in Genoa, Italy.

While confined mostly to his cabin, Mr. Baños used his phone a few times a week to log in to online lessons from Mr. Taborda and other instructors at the Sabor Manicero dance hall in Cali. His dance moves were limited to a 6-foot strip of space between the bed and closet. At times, Mr. Baños struggled with the spin moves because of the carpeting.

"I just tell him, 'Hey professor, can you slow it down for a moment while I finish this twirl?' " said the bearded 31-year-old.

He said salsa was critical to battling boredom and depression along with more than 300 fellow crew members. Not even the onboard gym was open. So, during his breaks from keeping the kitchen running, he turned to salsa for exercise and as an alternative to watching Netflix videos.

"Being Latino, I need to dance," he said. "Thank goodness that we have unlimited internet access" on the boat.

People all over the world are feeling lonely amid social distancing guidelines to control the spread of coronavirus.

Exercise helps our bodies release endorphins, dopamine and adrenaline that can give a shot of energy and uplift emotions, said Carolina Paredes, a Bogotá-based psychologist and dance therapist. Humans also thrive off the hormone oxytocin, which our brains release in response to touching, cuddling or even petting a dog, she said.

In Argentina, citizens are struggling with the indefinite closure of their beloved milongas, musical venues where couples embrace and slow dance the tango, cheek-to-cheek.

Though salsa is faster paced, physical contact is also an integral part of it. Men traditionally take the lead, using subtle touches and shifts in body weight to tell their partners of the next step. Seamlessly swapping dance partners in nightclubs called salsatecas is part of the charm.

"You might as well keep us in a cage," said Roxana Rengifo, an event planner who organizes dance competitions in Cali. "If we can't dance, it's like we're losing a part of our identity."

John Arcila, director of the Sabor Manicero school where Mr. Taborda teaches, had watched his business grow from a one-room operation six years ago to a three-floor studio in a commercial building attending more than 100 students a day.

The virtual classes bring in about 10% of the usual revenue, said Mr. Arcila, who wonders whether the business can survive much longer.

Mr. Ospina, Cali's mayor, is struggling to tame dancing. City police have been mired in a game of whack-a-mole, trying to shut down hundreds of clandestine parties each week.

Worn out by the effort, Mr. Ospina last month reinstated a citywide curfew and a ban on liquor sales—each in effect only on weekends—to contain Cali's appetite for fiestas. "Nobody wants to be the person who turns the lights off on the party," said Mr. Ospina, a doctor by training but also a salsa aficionado. "But this is duty."

Mr. Baños returned to Cali early this month, but now is stuck alone at an apartment completing a mandatory two-week quarantine.

"When I get out of this, the first thing I'm going to want to do is go out to dance," he said.

No-Win School Reopening

Continued from Page One

they try to educate children while navigating an array of opposing forces, few stable.

They must balance rapidly changing statistics that project the potential loss of learning—and potential loss of lives. Government directives are shifting. A plan for the fall may face teacher-union backlash. Change the plan, and some parents object. Reopen and a student gets Covid-19—and the district has to roll out another plan.

A superintendent's decisions can affect the economy, determining if parents can head back to work or need to be home helping their children learn.

"Flexibility is the name of the game," Dr. Hinojosa said, "because things are changing in real time, sometimes by the hour." He is among holdouts: He hasn't given up on offering both in-person and remote learning, despite more districts locally and nationally announcing they will start online-only.

Issues over reopening have split the U.S., with some people wanting campuses open to in-person learning while some unions haven't ruled out so-called safety strikes over reopening. Some school districts have already started the new school year, with many offering remote learning and some opening doors to students.

Large districts such as Chicago and Los Angeles have scrapped in-person learning plans for now. As Covid-19 flares across the country, many districts are focusing on improving remote learning.

The Dallas district released its reopening plan last month, but said there could be changes based on input from parents, teachers and circumstances with the virus. The plan mostly centers on safety procedures, such as wearing masks, social distancing and cleaning buildings. The district has delayed the school start date to Sept. 8 from Aug. 17.

CHRISTOPHER LEE FOR THE WALL STREET JOURNAL (2)

'We cannot afford to get further behind,' says Dr. Michael Hinojosa, superintendent of the Dallas Independent School District. Below in red mask, Dr. Stephanie Elizalde, the district's chief of school leadership, at a board meeting to discuss delaying re-entry.

Academic gains

The student body in Dr. Hinojosa's district is about 70% Hispanic, 22% Black and 6% white. He fears losing academic gains made under his watch in the district, which state data show went from having 37 low-performing schools in 2015 to eight in 2019. He feels his students are defeating the odds like he did as an immigrant boy in the district, where at least 90% of students qualify for free or reduced-priced lunches.

It has been about five months since his students learned in classrooms, and remote learning was less than stellar after a fast spring rollout, he said: "We cannot afford to get further behind."

Dr. Hinojosa is listening to parents as he continues to fine-tune the plan. Some want schools reopened, as they can't stay home to help educate their children. Others demand flexibility in switching to in-person learning if they are called back to work, instead of waiting until the end of the nine-week period as the district prefers.

"If I have to go back to work, they have to go back to school," said Dallas parent Kendall McKimmey. "I can't lose my job over it."

A district spokeswoman said there would be some flexibility for parents needing to switch to in-person learning.

Teacher backlash

Dr. Hinojosa faces backlash from teachers like Diane Birdwell, 59. "I don't want to die, and I don't want to get sick," she said. "But I can't retire yet. So if the schools reopen, I really don't have a choice but to go back. I know the superintendent is doing what he can to keep us all safe, but the virus doesn't care."

Some Dallas teachers cite the situation in Arizona's Hayden-Winkelman Unified School District, where three teachers shared a classroom during virtual summer school. One got sick the first week of class. All three tested positive for Covid-19, despite precautions such as masks, temperature checks, social distancing and cleaning. The teacher showing the first symptoms died, and eight employees in all—13% of employees—got infected in the 300-student district, said the district's superintendent, Jeff Gregorich.

"I have no idea right now what it is that I could have done differently," Mr. Gregorich said. One of the three teachers, Angela Skillings, 43, said she and the other two "were very careful," adding, "We're not sure who had it first, who gave it to who."

Dallas's Alliance-AFT teachers union wants only online learning until January, or at a minimum the first eight weeks of school, and under a steady decline in confirmed Covid-19 cases and hospitalizations. Union President Rena Honea has asked her 5,000 members to contact board members to urge them to support the request. "The teachers are the very people that are having to do the work, that are having to risk their lives," she said.

Dr. Hinojosa said that teachers have a valid concern about contracting the virus in classrooms and that the district is relying on medical experts to advise it as it makes reopening decisions.

While Texas teachers unions don't have the legal right to strike, he said they can make life rough, so he works with them. "They're very organized," he said. "If they get mad and you just diss them, then they can make a lot of noise. They can make your life miserable."

The Dallas district's reopening plan, released July 21, requires students and staff to wear protective face coverings and encourages social distancing at 6 feet. Schools will separate students with plexiglass when in classrooms or lunchrooms, won't allow volunteers inside, and will confine parents to the front office.

A video accompanying the plan shows masked students getting mandatory temperature checks before entering school. At classrooms, they slip off masks and slide on face shields, or wear both if parents choose. All students receive a refillable bottle of hand sanitizer. School buildings are cleaned daily and disinfected weekly.

The video's orderly scenario likely won't last as people get lax, said Dallas teacher Leslie Daroche, 47. "When a parent drops their kids off at school, they trust that the school will keep them safe," she said. "I don't want that safety plan to be me, making sure kids keep their masks on and don't breathe on each other. Every teacher wants to go back to school and be with their kids, but you want to go back safe."

> **'Flexibility is the name of the game, because things are changing in real time.'**

Dr. Hinojosa came to the U.S. from Mexico as a young boy with his family, attending schools in the Dallas district. He started his career in the district as a teacher and coach. He is now in a second stint as superintendent, with an education career spanning 40 years, about 26 of them spent leading school districts, including in Cobb County in suburban Atlanta.

On the workday late last month, stretching past 15 hours, Dr. Hinojosa attended a board meeting where he heard from dozens of speakers, via a live feed, including teachers not wanting to teach in person. "We can catch up on learning, but we cannot replace lives," one teacher said. Another said: "This has been one of my greatest life challenges."

On the agenda: his proposal that Dallas push its reopening date back three weeks, giving him more time to prepare. A board member noted his constituents' concern with the proposal, which would also delay school's end to June 18, saying it would interfere with summer activities like camps and vacation.

Board member Joyce Foreman questioned why the district hadn't involved teachers more with the conversation surrounding reopening plans.

"Can I get some kind of commitment that the teachers will be brought to the table?" she said. Dr. Hinojosa apologized, saying he made decisions in the speed of the moment. "I accept your request," he told Ms. Foreman.

Delay approved

Shortly after the board voted unanimously to delay the school year's start to Sept. 8, he dashed across the hall for a news conference. "We're going to listen to the parents, we're going to listen to the teachers," he said, answering questions in English and Spanish. "And we're going to especially listen to the science."

But the science, too, is shifting over theories on children's role in the pandemic, complicating planning. Some health experts say children who get infected tend to do very well, but others don't, and children can pass it on to adults. A recent study in South Korea found children between ages 10 and 19 spread the new coronavirus much more than those under 10.

In writing a plan, the district has watched the Centers for Disease Control and Prevention, which encourages schools to reopen for in-person learning this fall but says school officials should make decisions based on levels of community transmission and the capacity to mitigate spread in schools. The CDC advises reopened schools to increase physical distance between students, keeping students in small groups and wearing masks or cloth face coverings.

Even as Dr. Hinojosa hopes to get students in class, he is preparing to roll out what he says will be a robust remote-learning program, which he expects also to be a fallback for anyone needing quarantine. Many districts, including Dallas, say remote learning will be more rigorous this time around and similar to what a student would receive on campus. Dallas teachers will give students zeros for undone work, unlike before.

Dr. Hinojosa is painfully aware of problems nationally in the spring, when schools rolled out remote learning quickly to millions of students. Many students didn't have internet access, some parents weren't available to teach their children, and many teachers lacked training to deliver instruction remotely.

It has been a balancing act for Dr. Hinojosa, trying not to get crosswise with spirited parents, teachers and politicians in a district sitting in heavily Democratic Dallas in a Republican-controlled state.

Case studies

Dr. Hinojosa expects to have to deal with positive Covid-19 cases when schools reopen, judging from cases in other U.S. school districts.

In Gwinnett County Public Schools, Georgia's largest district, staff returned to school July 29. By the next day, officials reported about 260 employees had tested positive for coronavirus or been in contact with someone who had. School is scheduled to start in Gwinnett on Aug. 12 with teachers required to instruct from classrooms with students returning on a staggered basis despite their objections.

"There have been no changes in the district's expectation that teachers report to schools," the district said in a statement.

The Dallas district plans to have students who start in-person send in assignments by laptop, to become familiar with the online platform, said Dr. Stephanie Elizalde, the district's chief of school leadership. That way, she said, "At any given time, if we have a situation, they can learn at home."

Dallas will isolate students with Covid-19 symptoms until their parents can get them. For positive cases, Dallas County's health department will aid in contact-tracing to determine who needs to quarantine or if a school needs to close.

Students who purposely cough, sneeze or spit on another student with the intention of spreading the virus face repercussions. The Dallas district guidelines require that, for intentional incidents, a police or security officer be called to determine the violation for possible consequences.

Dr. Hinojosa said he is making decisions for the long haul. "This thing may go on for a while," he said. "The kids have got to keep on learning."

GREATER NEW YORK

Rise in Violent NYC Crimes Scrutinized

Changes to laws, fewer arrests, Covid-19 and clogged courts among the reasons cited

By Ben Chapman

New York City has seen a surge in shootings and other violent crime amid the pandemic, but the factors driving the trend are up for debate.

The number of shooting victims was up 81%, and shooting incidents rose 76% from Jan. 1 through Aug. 2, compared with the same period in 2019, according to New York Police Department figures.

The city recorded 237 homicides between Jan. 1 and Aug. 2, a 31% increase from the 181 during the same period in 2019.

The year-over-year increase in those crimes is more pronounced than any in more than two decades, according to the police, and the problem seems to be intensifying.

Shooting incidents were up 201% in the four-week period ended Aug. 2, compared with the same period in 2019, while the number of shooting victims rose 165%, and the number of homicides climbed by 50%.

The NYPD, Mayor Bill de Blasio, judges, local politicians, and criminologists all have varying theories on what is propelling the rise.

SETH WENIG/ASSOCIATED PRESS

Davell Gardner Jr., who was 1 year old, was killed last month during a shooting in Brooklyn.

During an Aug. 4 news conference, Mr. de Blasio said the rise in violence was fueled by a "perfect storm" of factors, though he singled out a backlog in the state court system, which he said hindered prosecutions.

The state's Office of Court Administration has pushed back against the mayor's assertion. On July 27, a spokesman for the office, Lucian Chalfan, said Mr. de Blasio "clearly has absolutely no understanding of how the criminal justice process works."

A few days later, New York state Chief Administrative Judge Lawrence Marks said state courts were returning to normal after the pandemic temporarily closed some courts, with more than 22,000 arraignments conducted since mid-April and grand juries returning this month.

Meanwhile, NYPD Commissioner Dermot Shea has said that justice must be swift and certain as a deterrent for carrying an illegal gun in New York City. He also has blamed factors including changes to state bail laws and the release of prisoners from city jails during the pandemic as reasons for the uptick in crime.

According to city data, only 35 of 4,500 inmates released from Rikers Island since the start of the pandemic have been rearrested on weapons charges.

Mr. Shea also has said that some recent changes to policing, including a law to criminalize officers' use of chokeholds, could deter enforcement. New York City implemented the changes and removed nearly $1 billion in funding to the NYPD after weeks of demonstrations in the city over the May 25 killing of George Floyd in Minneapolis police custody. After the changes, arrests fell.

Politicians including Brooklyn Borough President Eric Adams have questioned whether officers might be staging a work slowdown as a protest against the changes. NYPD officials have denied that.

Some research shows that crime may rise in economic downturns in some settings, and many people living in the city have lost their jobs as a result of the pandemic and the shutdown designed to curb its spread.

Christopher Herrmann, a former crime analyst supervisor with the NYPD, said the NYPD and Mr. de Blasio are navigating uncharted waters in contending with the current rise in violent crimes.

"It's an unprecedented increase, and that's problem number one, for both the mayor and the police department," said Dr. Herrmann, who is a professor at John Jay College of Criminal Justice. "Problem number two is you can blame it on a lot of different things," he said of the increase in crime.

Dr. Herrmann said that a drop in arrests had coincided with the rise in crimes. He cited NYPD figures that show 82,737 arrests were made between Jan. 1 and Aug. 2, a 39% decrease from the 134,661 arrests in the same period for 2019. He said a drop in arrests could contribute to an increase in crime.

David Kennedy, another John Jay College professor, said that other factors could be behind the increased shootings. Residents, he said, are staying closer to home because of social distancing and thus could be more predictable targets.

A breakdown in trust between some residents and police also may be playing a role, Mr. Kennedy said, citing a similar rise in crime in Baltimore following the controversial death of Freddie Gray in 2015. Mr. Gray died after suffering injuries while in custody in a police van.

Dr. Herrmann said the rise in shootings in June and July also could have occurred because the city began to ease lockdown measures, creating a setting for pent-up violence after such incidents fell at the start of the pandemic.

"I'm calling it a backlog of violence," Dr. Herrmann said. "Hatred and animosity don't really go away during a pandemic. They kind of get worse."

Most Students Set to Return

By Lee Hawkins

A majority of students and teachers in New York City's public-school system will return to in-person teaching in September, Mayor Bill de Blasio said Monday.

According to city officials, about 74% of students and 85% of teachers will go back to classrooms while the rest will learn and teach from home, as part of a hybrid of optional in-person classes and remote learning designed to help control and stave off the infection rate for the new coronavirus.

The disclosure about the nation's largest public-school system follows Gov. Andrew Cuomo's decision Friday to allow schools across the state to reopen, meaning that New York City will be one of the few metropolitan districts in the country to resume face-to-face classes.

Chancellor Richard Carranza said knowing how many students will return is key to planning.

Friday was the deadline for parents to notify the Department of Education whether their children would be attending school in person. Parents had the option of keeping students at home for full-time remote learning.

With only four weeks remaining before the doors reopen for New York City's 1.1 million students, parents and the principals and teachers unions are still pressing the department to divulge more details about safety and social-distancing plans.

Mr. de Blasio noted Monday that unlike in many other cities, New York City's virus infection rate has been under 3% for two months running.

"We're different and we're ready. We are the only major urban school district in America planning for in-person classes this fall," he said.

"We have set very stringent standards, and we have to meet those standards," Mr. de Blasio said. "If at any point, the situation changes, I'll be the first to say it."

The DOE's plan includes required face coverings for all, with a few exceptions, and ongoing deep cleanings in all schools. Each classroom will have fewer students to allow for social distancing, with optimal class sizes of nine to 12 students, the DOE has said.

"Everything is firing on all cylinders. Whether it's hand washing, face covering, distancing, open windows," Mr. de Blasio said, adding the summer's planning for the fall "puts us in effectively 180 degrees different from where we were when this crisis began."

All of the state's districts will be required to provide online information to parents detailing their plans, including those for remote-learning instruction, how they will test and trace for infections and what they will do if a student or teacher tests positive.

The state's infection rate for the virus is currently under 1%. Mr. Cuomo has said a district can reopen for in-person instruction if its region's daily coronavirus infection rate averages below 5% for 14 days. Mr. de Blasio has set a tougher standard, saying a 3% threshold sends the message of "health and safety first," noting he had worked on the plan with unions for teachers and principals.

New York City Schools Chancellor Richard Carranza said having the official number of more than 700,000 returning students is critical to the month of planning that lies ahead.

As the city prepares, it also faces pressure from some parents and stakeholders.

The United Federation of Teachers, the union that represents about 120,000 current city DOE employees, asked its members and the public to sign a petition listing safety measures it says the schools must have in place. As of Monday afternoon, more than 66,000 people had signed. The union—which has been a major part of reopening and discussions and has seen preliminary plans—said the mayor's plan "does not meet the safety standards our children and school staff need."

Mr. Cuomo stressed in a briefing Monday that the plan will need the blessing of parents and teachers. Schools generally keep children of similar age together, he said, "so the theory is a student is not going to be in the immediate company of hundreds of people the way you would be in a museum."

"It's fundamentally different than a museum because it's a much more controlled circumstance," Mr. Cuomo said. "If the parents of New York City and the teachers of New York City say it's a safe plan, then it's a safe plan."

Mr. de Blasio said the DOE would continue to provide details to all concerned parties.

"We are getting ready every single day...to keep people healthy and safe," Mr. de Blasio said, "and to make sure we can educate our kids as best as possible under the toughest conditions."

—Akane Otani contributed to this article.

Demonstrators Take a Seat to Call for Rent Relief

MICHAEL M. SANTIAGO/AGENCE FRANCE-PRESSE/GETTY IMAGES

UP IN ARMS: Protesters staged a sit-in Monday at a Brooklyn courthouse to demand that renters be protected from eviction. As tenants struggle to pay rent during the coronavirus crisis, Gov. Andrew Cuomo last week extended a moratorium on evictions until Sept. 4.

Museums Plan to Reopen—Cautiously

By Charles Passy

Even though New York City museums aren't yet permitted to open indoors because of coronavirus restrictions imposed by the state, a few are planning their returns.

The Museum of Jewish Heritage—a Living Memorial to the Holocaust, located in lower Manhattan, said Monday that it aims to open its doors again on Sept. 9. It joins institutions such as the **Metropolitan Museum of Art**, the American Museum of Natural History, the New-York Historical Society and Poster House that have set reopenings for this month or next.

But since the state rescinded indoor cultural activities in the city—originally, museums were set to be part of the fourth phase of reopening that took effect in the five boroughs on July 20—these plans might seem like exercises in wishful thinking. Still, officials with the institutions said they remain hopeful and want to be prepared.

"Obviously, it's a very fluid situation," said Jack Kliger, president and chief executive of the Museum of Jewish Heritage.

On Monday, state officials said they still didn't have a date for when museums in the city could reopen.

"We will continue to track the data and the science, and will make a decision on reopening cultural institutions in New York City when health experts determine it is safe to do so," a state representative said.

Museums in the rest of the state have been allowed to welcome visitors again.

Officials with city museums that have set restart dates said they would take many precautions to ensure visitor safety, from limiting capacity to providing hand-sanitizing stations.

New York officials will let cultural institutions know when it is safe.

At the Museum of Jewish Heritage, plans also call for opening only three days a week to allow time for the facility to be deep-cleaned. Previously, the museum had been open six days a week.

Mr. Kliger said museums are in a better position to safely operate than many other spaces, such as restaurants. "People can walk through a museum with a mask on. I don't think they can eat with a mask on," he said.

The cost of being closed for so long is starting to have a significant effect on museums. Last week, the Metropolitan Museum of Art said it was cutting 353 employees as a result of a projected shortfall of $150 million. The Met has said it plans to reopen Aug. 29, pending state approval.

The Museum of Jewish Heritage also is taking a significant financial hit, especially because the institution was seeing large numbers of visitors for a special Auschwitz exhibition at the time of its shutdown in March.

Mr. Kliger said the exhibition would now be extended to May 2021, but that couldn't entirely make up for the loss in revenue. The museum is slashing its annual budget by 40% to about $9 million, he added.

Across the country, hundreds of museums have reopened since being closed earlier in the year, according to Laura Lott, president and CEO of the American Alliance of Museums. Still, Ms. Lott said that some have had to shut down once again in parts of the country where coronavirus numbers have risen.

Museums that have welcomed visitors back aren't necessarily seeing strong attendance because concerns about catching the virus may be keeping patrons away, Ms. Lott said. "Being open isn't the whole answer," she added.

JOHN LAMPARSKI/SOPA IMAGES/ZUMA PRESS

The Museum of Jewish Heritage aims to open on Sept. 9 after being closed because of the pandemic.

Music Scene Is Left on Blue Note

By Laura Cooper

The pandemic has silenced New York City's once-vibrant live music scene and left its future in doubt.

Nearly five months after the city went into lockdown in an attempt to stop the spread of Covid-19, concert halls, clubs and arenas remain closed with no guidance from the state on when things might return to normal.

The shut down has been particularly painful for the city's independent music-venue owners, many of whom already were battling rising rents and competition from large event spaces and global corporations such as Anschutz Entertainment Group and Live Nation Entertainment Inc.

Paul Rizzo, owner of The Bitter End, said he isn't sure if he can reopen his business even when concerts are permitted again.

The 60-year-old club in Manhattan's Greenwich Village has played host to Neil Young, Joni Mitchell, Bob Dylan and other famous musicians.

More recently, it is credited with helping to launch the career of Stefani Germanotta, the international pop superstar known as Lady Gaga. It generally had four to five live music performances every night in a space that can fit up to 230 people.

"One of the reasons I might not open is I may not generate enough money for my staff to make a living, let alone myself," Mr. Rizzo said of the prospect of operating at a limited capacity.

Not only are the owners of venues feeling the financial stress associated with the novel coronavirus, but those who work behind the scenes to make music happen—such as sound technicians and promoters—along with the musicians themselves have all dealt with its fallout and likely will for some time.

As of 2016, New York City had 2,400 venues, ranging from concert and entertainment halls to informal cultural and performance spaces, according to a nightlife study commissioned by Mayor Bill de Blasio's Office of Media and Entertainment that was published last year.

These venues generated nearly 20,000 jobs, $373 million in wages and $1.2 billion in economic output, the report said.

Oh My Rockness, a curated concert calendar that tracks performances by independent artists, as well as better-known acts such as Billy Joel, as of late July listed 1,620 shows in the greater New York City area between March 15 and Dec. 31. Many of those shows were postponed or canceled. By comparison, some 8,450 concerts were listed in the same period a year earlier.

A nationwide organization formed early in the pandemic in an attempt to band together independent music venues across the country.

The National Independent Venue Association, which has about 2,500 members and has been active in lobbying for music spaces, found that without federal assistance, 90% of its members would be forced to close permanently if the shutdown lasts six months or longer.

"No amount of creativity or business acumen can keep a business with zero revenue, 100% fixed costs and no time frame as to when they can reopen again," said Audrey Fix Schaefer, communications director for NIVA.

The New York Independent Music Association, a local NIVA offshoot, counts more than 150 venues as members, including The Bitter End, the Bowery Ballroom, Knitting Factory and Baby's All Right. NYIVA found that the average New York venue has $50,000 in monthly expenses even if its doors remain closed.

Some venues with space have held outdoor musical events.

City Winery—which has three locations in New York—has sold out of tickets to its planned outdoor concert series in the Hudson Valley. Last week it told ticket holders the "Concerts In The Vineyard" series was delayed as Gov. Andrew Cuomo's office was still reviewing its outdoor entertainment application.

Michael Dorf, the founder and chief executive of City Winery, has been working with Mr. Cuomo's office on setting standards and safely holding the outdoor concerts.

The series was set to kick off Aug. 8 with a performance from Southside Johnny & the Asbury Jukes. Singer-songwriter Joan Osborne—who played the opening show at City Winery's original Varick Street location in Manhattan—is slated to perform Sept. 19.

The opportunity to take the stage at the concert series is particularly important to Ms. Osborne, who will be releasing a new record in September. The pandemic forced her to cancel her touring schedule for the year, including concerts that would support the new release.

"I am always out on the road doing concerts," said Ms. Osborne, who lives in Brooklyn. "My jobs disappeared in the span of a week."

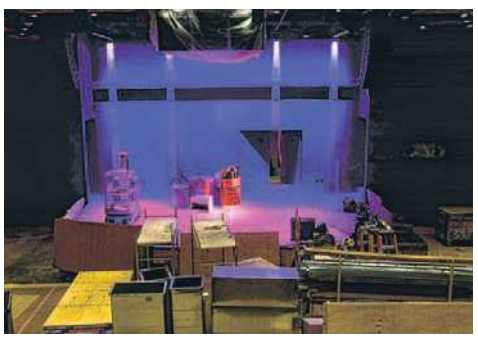
Under the proposed plan, City Winery's outdoor concerts could seat up to 380 people, Mr. Dorf said. The venue will conduct temperature checks, have timed entry and seat groups in pods 10 feet apart. The outdoor space itself usually could fit around 2,000 people without social distancing.

"We are cautiously optimistic," Mr. Dorf said.

City Winery has been able to offset some lost concert and event revenue by serving alcohol and food, something most clubs can't do. However, the business recently poured $20 million into a new space at Manhattan's Pier 57. That venue is set to be completed in the coming weeks, but has no plans to open soon.

Gavin DeGraw played his first concert in New York City at The Bitter End in 1997. The gig inspired him to move to the city, where he became a regular at the venue playing shows and hanging out with the musicians that frequented the space.

"New York City likes to pride itself as being a cultural mecca, but without places like The Bitter End there might not be anything left," Mr. DeGraw said.



CLOCKWISE FROM TOP: GABRIELA BHASKAR FOR THE WALL STREET JOURNAL (2); BILL TOMPKINS/GETTY IMAGES

City Winery CEO Michael Dorf hopes to stage outdoor concerts, but there are no plans to open its new space on Pier 57, below right. The Bitter End's owner says the Greenwich Village spot may not reopen.

GREATER NEW YORK WATCH

NEW JERSEY

Man Charged With Killing Roommate

The roommate of a college student who was found dead in their apartment over the weekend was charged Monday with murder and two weapons counts.

The body of Yuting Ge, 23 years old, was found shortly after 12:30 p.m. Saturday by Jersey City police, who had responded to reports of a "suspicious condition" at the apartment Mr. Ge shared with Tong Cheng, 26. Multiple lacerations were found throughout Mr. Ge's body, according to the Hudson County Prosecutor's Office.

Mr. Cheng received his graduate degree from Stevens Institute of Technology, and Mr. Ge was attending the same school, prosecutors said. It wasn't clear how long they had been roommates.

Mr. Cheng was arrested without incident early Monday at a hotel in nearby Weehawken. It wasn't known if he has retained an attorney.

Authorities haven't disclosed a possible motive for the attack.

—Associated Press

HUDSON VALLEY

Brooklyn Woman Dies in Rock-Climbing Fall

A 25-year-old Brooklyn woman fell to her death while rock climbing over the weekend, New York State Police said.

Lauren Sobel was climbing in the area of the Trapps Trailhead at the Mohonk Mountain Preserve in Gardiner, in Ulster County, at about 3:30 p.m. on Sunday.

Police said Ms. Sobel was the lead climber in a group of three and was setting protection gear in the rocks about 70 feet up the rock face when she lost her grip and fell approximately 50 feet.

She was pronounced dead at the scene.

—Associated Press

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Coronavirus Turmoil Raises Depression Risks in Young Adults

Social isolation and vanished opportunities hit those on cusp of careers and adulthood

By Andrea Petersen

For Da'Trevion Moss, a 23-year-old college student at the University of Dubuque in Iowa, the Covid-19 pandemic has dealt a series of personal blows. His summer internship at a local hospital was canceled. Many of his plans for starting an on-campus chapter of Active Minds, a young adult mental-health-advocacy organization, had to be shelved. And now he's anxious about going back to in-person classes as the virus continues to spread.

"I felt like my career, all the things I was looking forward to and planning, were all ruined," says Mr. Moss, who is starting his senior year and goes by Tre. "I was hurt and devastated by that." The social isolation has made everything harder, he says. "I really thrive off face-to-face interactions. Not having that for the past four or five months has been really, really difficult."

The pandemic and its economic fallout are taking a toll on the mental health of many Americans. But the burden is perhaps greatest for those on the brink of adulthood, young people who are often seeing their dreams of careers, romances and adventures dashed.

Sophia Shieh's study-abroad program was canceled.

FROM TOP: DANIEL ACKER FOR THE WALL STREET JOURNAL; SOPHIA SHIEH

"A number of kids are expressing that these are supposed to be the best years—high school and college—the most free years," says Anne Marie Albano, a professor of medical psychology in psychiatry at Columbia University Irving Medical Center in New York. "The possibility that Covid is going to completely change this period of their life, and they won't ever get it back, is overwhelming for a lot of them," she says.

Nearly 41% of college students reported symptoms of depression in a survey of 18,764 students from the end of March through May by the American College Health Association and the Healthy Minds Network, a research project based at the University of Michigan, Boston University and the University of California, Los Angeles. That is up from 35.7% in a Healthy Minds survey from fall 2019. Also, suicide risk measured in the spring ticked up to 27.2%, from 25% measured last fall in a survey by the college health association, which is a research and advocacy group promoting student health. In a survey taken in April by Active Minds—which has chapters on more than 550 college campuses—about 80% of 2,086 college students reported that Covid-19 had "negatively impacted" their mental health.

Even before the pandemic, young people showed rising rates of mental-health problems. According to a spring 2019 survey of nearly 68,000 college students by the American College Health Association, about 24% had been diagnosed with or treated for anxiety problems in the preceding 12 months, and 20% had been diagnosed with or treated for depression. Those rates were about double those found in the survey a decade earlier. The stress of Covid can make existing mental-health problems worse and cause new ones, psychologists say.

"Emerging adulthood is a very intense time of life," says Jeffrey Jensen Arnett, a senior research scholar at Clark University in Worcester, Mass. From the ages of roughly 18 to 29, young people "are making big decisions about their education, their career path, their romantic relationships," Mr. Arnett says. "It's the liftoff decade for your entry to an adult career path. To have that suddenly blown up with no sign of when it's going to end, it's tough."

Sophia Shieh, who is 21 and entering her junior year at Boston College, applied for three summer internships. They were all canceled, as was her summer work-study job. Perhaps the biggest blow, however, was the cancellation of her study-abroad program in Oxford, England, where she had planned to spend the coming school year.

"I was really sad," says Ms. Sheih, who says she has found solace in online support groups run by her college's counseling center and in a virtual Bible study group she conducts with friends.

Psychologists say that the social isolation and the curtailing of some autonomy imposed by the pandemic are particularly difficult for teenagers and young adults. At these ages, young people are driven to seek more independence from their families, connect with their peers and pursue romantic relationships, says Karen L. Bierman, director of the Child Study Center at Pennsylvania State University.

The pandemic's social isolation has made everything harder, says Da'Trevion Moss, a senior at the University of Dubuque.

The uncertainty around if and when the pandemic will end, and what life will look like in that future, is also causing distress.

"One of the things that carries young people through all of the things they have to do is some vision of the future. Here's a life I see for myself that looks interesting. Suddenly that gets hard to see," says Joseph P. Allen, a professor of psychology at the University of Virginia. Dr. Allen says this can zap motivation to do things like study for the SAT or even just get off the sofa, which can make mental-health issues even worse.

Nearly 41%
of college students in a survey from the end of March through May reported symptoms of depression.

The grinding unemployment that has hit young people especially hard is likely to have other harmful effects, notes Charles B. Nemeroff, professor and chair of the department of psychiatry at Dell Medical School at the University of Texas at Austin. "Studies have shown a relationship between unemployment and suicide and unemployment and illicit drug use and unemployment and alcohol use. This teenage and young-adult population is particularly susceptible to those influences," Dr. Nemeroff says.

Several psychologists recommend that teens and young adults create "pods" with a few friends they can see without social distancing. The key is to allow young people to meet their needs for social interaction in a safe way, says Columbia's Dr. Albano. "If you pen them in," she says, "you're going to make your kids more depressed and anxious." (They'll also be more likely to sneak out to those big, unsupervised parties, she adds.)

Focusing on what you can control helps, says Mary Alvord, a psychologist in Chevy Chase, Md. "Every session, I start with, 'What's under your control right now, what's going well?' And when things are not going well, 'What are aspects you can do something about?' "

James Robinson, 15, says volunteering with an organization that delivers food to needy families and attending protests for the Black Lives Matter movement "adds structure and gives me a boost in myself." A high-school sophomore this year in Bethesda, Md., James says, "Doing something I'm passionate about that's doing some good in the world, that's important to me."

The pandemic might be teaching some young adults an important lesson, says Victor Schwartz, a psychiatrist and chief medical officer at the Jed Foundation, a mental-health-education and advocacy group focusing on young adults. Covid-19, says Dr. Schwartz, "has undermined the fantasy that I think teens and young adults and their families have had, that life is controllable and predictable given the right resources." Young people, Dr. Schwartz says, can "learn how to adjust and roll with things."

Mr. Moss in Iowa says what has been helping him is sticking to a schedule. He has started going to the gym every day, writing poetry and heading out for regular walks. He sees a therapist weekly and, after his internship fell through, got his old job back at Starbucks.

"I'm trying to keep a positive mind-set," he says. "I'm ready to tackle so many things."

A Covid Doctor Who Understands Her Patients

YOUR HEALTH
SUMATHI REDDY

As head of primary care at University of California, San Francisco, Coleen Kivlahan sees up to 20 Covid patients some days in virtual appointments. Some got infected months ago, but still have persistent symptoms.

She understands their experience better than most: She has lived it.

Dr. Kivlahan, 67, is one of an estimated tens of thousands of so-called long-haul Covid patients. Many had cases initially considered mild or moderate, but months later still struggle with a wide-ranging battery of symptoms that can include fatigue, chest pain and cognitive issues. Experts estimate that as many as 15% of Covid patients may experience long-term symptoms, though much remains unknown.

Besides the physical toll, long-term patients face an emotional one as well. One frustration they often voice is that doctors don't believe their symptoms are real, or can't understand what it's like to be sick for months with no certainty about when they might get better.

"I'm sure you can't understand" is something Dr. Kivlahan says she often hears from new patients. But she does. "When it's appropriate clinically, I tell them my story. It causes tremendous relief. People begin to believe there's hope," she says.

She has seen patients virtually since March, and plans to resume in-person care at UCSF's acute Covid-19 symptom clinic this week. "Because this virus has so many unique ways of impacting the human body, my personal illness has allowed me to reassure and direct care in a special way," she says.

One of her biggest challenges psychologically was persistently testing positive for the virus for three months, even though doctors didn't believe she was contagious the whole time. Starting in March, she tested positive for Covid nine times before finally receiving a negative test in June. "I spent months not being able to hug my kids," she says, referring to her four adult children. "All that emotion and anxiety absolutely affects our organ systems and increases the stress hormone cortisol. Those things are hard to tease out from the virus effect itself."

Coleen Kivlahan, a doctor at UCSF, has experienced long-term symptoms of Covid-19.

ANGELA DECENZO FOR THE WALL STREET JOURNAL

Dr. Kivlahan fell ill March 6. She took a Covid diagnostic test a few days later, but it came back negative. By March 12, she had a fever, severe shortness of breath and terrible night sweats.

She went to the emergency department and took a second Covid test, which again came back negative. Tests showed she had "diffuse bronchitis" as well as another rare respiratory virus.

Her cough worsened; her chest and stomach hurt from the deep coughing. At times Dr. Kivlahan felt so weak she had to rest in the shower. "I was short of breath just sitting there," she recalls. "I had to lay down with my head down off the bed just to breathe."

When she went to the emergency room again, she got an EKG to rule out a heart attack because her chest pain was so bad. By March 21 she felt a little better.

But a second wave of symptoms came days later. Her cough returned, along with chills, chest pain and shortness of breath. The next day she went to UCSF's respiratory screening clinic. She finally tested positive for Covid-19.

A day or two later she noticed she could no longer smell the mint growing in her backyard or taste the hot chocolate she makes every morning. "I'm a bean-to-bar chocolatier," she says. "I make chocolate. I can't smell or taste it."

She finished her will and advance directive for end-of-life care, worried that she would end up in the hospital on a ventilator. "I packed a bag several times to go to the hospital and just decided I can make it one more night at home," she says.

Her symptoms continued in April, especially in the evening. "I could not take a full breath, the pressure in my chest was so intense I had to lie very still in bed to avoid breathing deeply," she wrote in a symptom diary of her illness.

She tested positive for Covid-19 again April 8. "It was a big emotional backslide," she says. "It was really the first time I felt like, 'This is a virus we don't understand.' "

By late May, she was starting to feel better. She started running up stairs. A June 8 antibody test came back positive. And a June 11 PCR test was finally negative. "I celebrated by taking a walk outside with a mask on," she says.

Still, she has lingering symptoms. She has a mild cough and hasn't regained her sense of smell and taste. Every few days she has a strong taste and smell of fire. "When the sensation of forest fires come in my mouth and nose and lasts several hours into the night, I have to look outside to see if Northern California is on fire," she says.

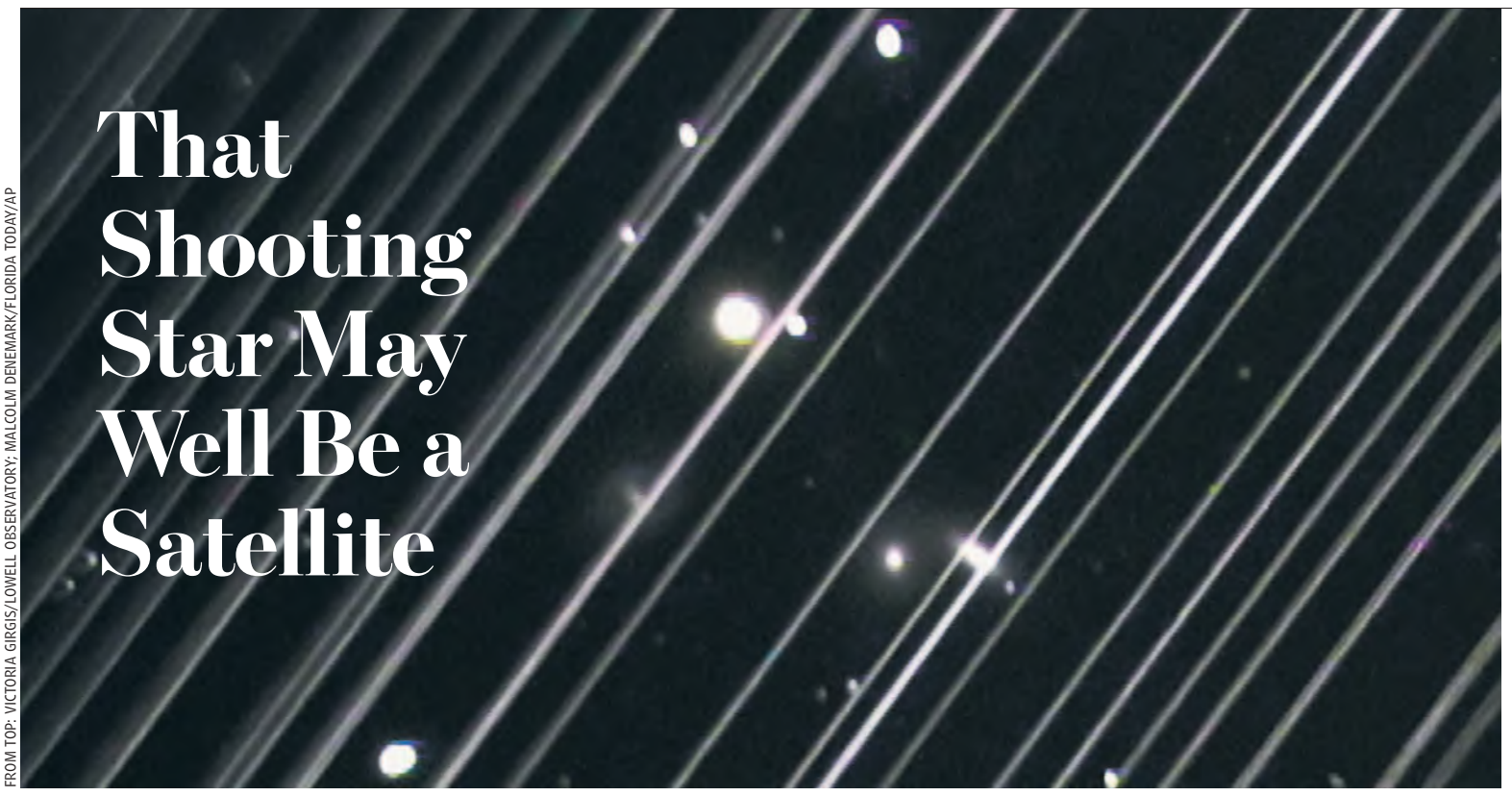
She's had some new minor cognitive issues, experiencing occasional word substitutions of common words in casual conversation. "I interchange p and q," she says. "Several times a day, I would write the wrong word or say the wrong word."

But her heart and lung function are near normal, she says, and her energy level is back up. "I'm now 90 percent," she says.

She is a patient at UCSF's post-Covid multidisciplinary clinic, says Lekshmi Santhosh, physician lead of the clinic and an assistant professor of pulmonary and critical care medicine at UCSF. She estimates they have seen 40 to 50 patients like Dr. Kivlahan who have persistent symptoms.

Dr. Kivlahan enrolled in a UCSF study. She thinks it's important to learn more about long-haulers. "These are patients who weren't in the ICU, weren't on a vent, didn't die. But they have ongoing symptoms that are just scary and unknown," she says. "We can learn a great deal about the virus by understanding those lasting symptoms."

That Shooting Star May Well Be a Satellite



FROM TOP: VICTORIA GIRGIS/LOWELL OBSERVATORY; MALCOLM DENEMARK/FLORIDA TODAY/AP

◀ Lowell Observatory in Arizona says the diagonal lines in this 2019 image of a galaxy group are trails of reflected light left by Starlink satellites.▼ A rocket with Starlink satellites lifted off in Florida Friday..

SCIENCE JOURNAL
ROBERT LEE HOTZ

Like thousands of sky-watchers this summer, Cason Berry was eager to photograph the comet Neowise at its brilliant peak this past July. If he missed the chance, it would be 6,000 years before the comet passed so close by Earth again.

On the night, the college senior, who lives outside Lufkin, Texas, set his camera on a tripod in his backyard, framed the comet in his viewfinder and triggered the time-lapse shutter. When he checked the result, though, he saw that the long exposures had picked up bright lines, like scratches, across the images. "I thought it was something on my lens or my screen," he said. "They were streaks from satellites, like 40 or something, that streamed across the sky. I would say they ruined it."

He'd probably been photobombed by Starlink satellites. In the past 14 months, SpaceX, the space-transportation and aerospace company led by Elon Musk, has launched about 600 of them. The artificial constellation glitters overhead from reflected sunlight long after dark and before sunrise. Another 118 of the satellites are scheduled for launch in the next few months.

August traditionally offers prime viewing for amateur and professional sky-watchers, with four planetary close approaches, three meteor showers, two dwarf planets and one asteroid making an appearance in the night sky— capped by the peak of the summer Perseids on Aug. 12, one of the best and most active meteor showers of the year, with up to 150 meteors per hour visible on a clear night.

This year, hundreds of those shooting stars likely will be satellite streaks.

For decades, astronomers, ecologists and health authorities have worried about the sky glow from streetlights and other artificial outdoor lighting. In the brightly lighted cities that half of the Earth's population now calls home, only a few dozen stars may be visible on a clear night, experts say. More than a third of humanity can't see its own home galaxy of the Milky Way, an international team that mapped the geography of night lighting reported in 2016.

For the past year, however, astronomers and aerospace engineers have been grappling with disruptive lighting changes in the sky itself. The problem arises from spacecraft design, altitude and the sheer number of new satellites crowding into low-Earth orbit, aerospace experts said.

It's launched a struggle over the dark of night. "We are going through this new space industrial revolution, and the numbers of satellites are going up dramatically," said astronomer Jonathan McDowell at the Harvard-Smithsonian Center for Astrophysics in Cambridge, Mass. "Right now, there is no right to an uncluttered sky."

According to federal filings, SpaceX and other companies plan to launch up to 80,000 new small communications satellites in the next decade or so into a narrow band of space around Earth, where they will glint brightly in the glare of the rising or setting sun. Indeed, they will outnumber the stars normally visible world-wide with the unaided eye, potentially depriving everyone of an unblemished view of the night sky.

"There have been satellites orbiting the earth for 60 years, but never anything of this scale," said astronomer John Barentine, director of public policy at the International Dark-Sky Association, founded by astronomers 20 years ago to promote sky-friendly lighting.

The SpaceX network, designed to offer low-cost global broadband services, is authorized by the U.S. to orbit up to 12,000 satellites, but the company has sought permission for 30,000 more. Once it's all operational, SpaceX expects to retire and replace from 2,000 to 8,000 Starlink satellites every year, allowing them to burn up brightly in the atmosphere.

The company didn't respond to a request for comment.

SpaceX is just the first satellite company to flood the zone. In May, OneWeb asked the Federal Communications Commission for permission to launch as many as 48,000 satellites. Early last month the British government and Bharti Global of India purchased the company; OneWeb didn't respond to a request for comment on their plans. On July 30, the FCC approved Amazon's plans to launch 3,236 satellites for its Kuiper high-speed broadband service, a rival to the SpaceX project. In China, several companies are planning networks of up to a thousand or so satellites. (Around the globe, approval methods vary for companies trying to launch these communications satellites.)

Many astronomers fear that just about every telescope study from hundreds of ground-based observatories world-wide will someday be marred by the satellite streaks that spoiled Mr. Berry's images.

The astronomers worry most about the impact on the U.S.-funded Vera C. Rubin Observatory, currently under construction on Cerro Pachón high in the Andes of Chile, which will survey the night sky with the world's largest digital camera ever fabricated for optical astronomy. Starting in 2022, the Rubin Observatory will take images of the entire Southern sky every three nights for 10 years in the most comprehensive visual survey yet of the universe.

The project will be "significantly impacted by bright satellite trails," according to a working group of scientists led by Tony Tyson, a physicist at the University of California at Davis and the observatory's chief scientist, who have been studying the impact of the new satellites and consulting with SpaceX.

"All optical observatories and their science will be impacted by tens of thousands" of bright satellites in low Earth orbit, the working group reported at an online meeting of policy makers, satellite operators and sky watchers last month.

Amid the growing furor, SpaceX aerospace engineers have scrambled to modify their satellites, according to statements and astronomy workshop presentations by the company. They also lowered the proposed altitude for many of the future satellites in order to reduce the time in sunlight.

"Space companies work hard on improving the satellites," said Ralf Vandebergh, a professional astrophotographer in the Netherlands who specializes in imaging spacecraft. "At this point, I'm pretty optimistic."

Last January, SpaceX engineers launched a Starlink satellite painted black to dim its brightness. Independent astronomers who tracked it in orbit calculated that it cut the glare by half. But the coating soaked up so much additional heat that it threatened to affect the satellite's onboard electronics—and made it glow even more brightly in infrared frequencies often used for astronomy, Dr. McDowell said.

"There is still a long way to go before people are happy," said astronomer Jeremy Tregloan-Reed at the University of Antofagasta in northern Chile, who led the team that tracked and analyzed SpaceX's blackened satellite, dubbed "Darksat," in orbit.

SpaceX engineers also equipped dozens of its latest satellites with experimental visors to act as sunshades to block the sunlight. SpaceX's Mr. Musk, the CEO, tweeted in April that all of the company's future Starlink satellites would be equipped with visors.

"It is a mitigation, not a solution," said Dr. Barentine about the visors. "No one is pretending this is solved."

ANATOMY OF A WORKOUT
JEN MURPHY

A Warm-Up That Doubles As Its Own Exercise

Anatomy of a Workout is a new column where sports performance coaches and athletic trainers break down exercises and drills they use.

If you played high school sports, your warm-up most likely involved jogging a few laps and performing static stretches. This pregame ritual has been replaced in the pros by the dynamic warm-up, a series of exercises that mimic the movements used in sports.

The goal is to activate, or contract, then relax a group of muscles, rather than stretch them, explains Ed Lacerte, the Westford, Mass.-based director of player health and performance for the USA Basketball men's junior national team.

You've probably caught a glimpse of NBA or NFL players running with high knees or side shuffling in the background of the pregame show. These dynamic drills are intended to get the heart rate up and increase blood flow and range of motion, while also working on coordination.

A good dynamic warm-up should address all muscle groups, says Mr. Lacerte (pictured right) who served as the athletic trainer for the U.S. Olympic gold-medal winning 1992 Dream Team and the Boston Celtics. He has players foam roll, focusing on any tight spots of the body, for five minutes before the warm-up.

Dr. Lacerte created a six-drill routine for wsj.com. Each drill should be done for the length of half of a basketball court, about 50 feet, and can be followed with a light jog back. Focus on technique rather than speed. The entire warm-up should take 10 to 12 minutes.

This routine prepares the body for a variety of activities, from basketball to a CrossFit session. It can also be turned into a workout by doing a second round that adds cardio-focused exercises like high-knee running between drills.

See more of these exercises at WSJ.com/news/life-arts.

TONY LUONG FOR THE WALL STREET JOURNAL

The Exercise

Walking Deep Lunge

Why: A more active variation of the lunge, this drill helps open up the groin, hamstring, glutes and lower back.

How:

1. Take a big step forward with your left leg into a lunge position.

2. Your right knee will hover slightly off the ground. Reach to the inside of the left ankle with your left elbow. Your right hand will be on the floor for balance.

3. Pause two seconds, then step your right foot up to meet the left.

Stand tall and repeat on the opposite side.

Option:

4. If your left leg is forward in a lunge position, keep the right hand on the ground and reach the left hand up toward the sky to get a trunk rotation and opening in the chest. Bring your gaze up toward the hand as you twist. Repeat on the opposite side.

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ARTS IN REVIEW

SHAWN BRACKBILL

Mike Mogis, Conor Oberst and Nate Walcott of Bright Eyes; the group's new album is 'Down in the Weeds, Where the World Once Was'

MUSIC REVIEW | MARK RICHARDSON

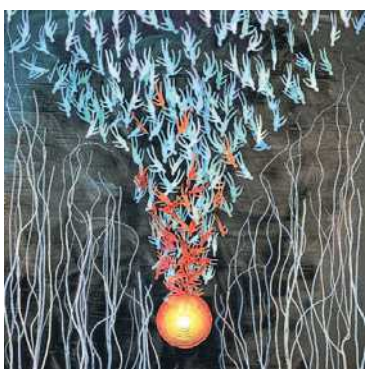
Bright Eyes Channels the Personal

The indie band, led by singer-songwriter Conor Oberst, issues its first album in nearly a decade

Conor Oberst released "A Collection of Songs Written and Recorded 1995-1997," his first album under the name Bright Eyes, in early 1998, just before he turned 18. As its title makes clear, the set contains material conceived during the few prior years, starting around the time the songwriter, raised in Omaha, Neb., would have been a high-school sophomore. From the beginning, Bright Eyes was a vehicle for channeling the intensity of feeling associated with youth. Mr. Oberst's cracking, quavering voice suggested that the words coming out of his mouth contained an urgent message that the world needed to hear. Ensuing Bright Eyes LPs like 2000's "Fevers and Mirrors" and 2002's "Lifted or The Story Is in the Soil, Keep Your Ear to the Ground" were filled with furiously strummed acoustic guitars and thick arrangements that throbbed in time with his word-dense songs about unrequited love, self-loathing and being misunderstood.

But Mr. Oberst's indie-level fame grew when he joined the 2004 "Vote for Change" tour alongside artists including Bruce Springsteen and R.E.M. It then expanded further after the success of the group's warm and accessible 2005 album "I'm Wide Awake, It's Morning," and when Bright Eyes became just one group among many he worked with. He's released solo work and records with his punk band (Desaparecidos), a more conventional rock outfit (Conor Oberst and the Mystic Valley Band), an acoustic indie supergroup (Monsters of Folk) and, most recently, in a duo with singer-songwriter Phoebe Bridgers (Better Oblivion Community Center). Amid all this activity, Bright Eyes, which crystallized as a proper band when multi-instrumentalists Mike Mogis and Nate Walcott became full-time members in 2005, slowed down. After the 2011 record "The People's Key," Mr. Oberst set aside Bright Eyes, and there were murmurings that the album might be its final statement.

But Bright Eyes is back. "Down in the Weeds, Where the World Once Was," out next week on Dead Oceans, is a reminder of the band's essential qualities, and of what sets this group apart from Mr. Oberst's other work. This band is an outlet for his most personal statements—on a Bright Eyes record, he doesn't worry about going over the top emotionally. But while his affective fervor is intact, he's a 40-year-old man writing about his life now, and approaches the material with a broader perspective. And this collection's richly orchestrated chamber-pop production—thick with strings, horns, woodwinds, bagpipes, dulcimers, a choir and more—calls back to the wall-of-



'Down in the Weeds, Where the World Once Was' is characteristically heavy with emotion

sound approach of classic Bright Eyes records, though it's now delivered with more sophistication and clarity. The trio wrote the music together, with Mr. Oberst supplying the words. "Got to change like your life is depending on it," Mr. Oberst suggests on the LP's second track, "Dance and Sing," but the album doesn't reflect this idea—this is a record that will be instantly familiar to longtime fans, though Mr. Oberst's lyrics are authentically raw and direct.

In the past five years, Mr. Oberst split from his wife and his brother died, and there are allusions to both events on "Down in the Weeds." It unfolds in a sad and lonely world, one where lived experience doesn't necessarily add up to wisdom. The folky midtempo "Tilt-a-Whirl" begins with the words "My phantom brother came to me / His backlit face was hard to see" and adds in the chorus, "Life's a solitary song / No one to clap or sing along / It sounds so sweet and then it's gone." On the piano-led ballad "Hot Car in the Sun," he sings "Chopped the celery and made the soup / Didn't have much else to do / I was dreaming of my ex-wife's face" and then two lines later describes a dog dying inside of an overheating Chevrolet.

Mr. Oberst has a gift for imbuing mundane phrases with mystery. In the first part of "Stairwell Song," a weary fanfare dripping with horns and strings, he describes a group of people engaged in idle chatter and then adds the plainspoken aside "For an enigmatic guy / You seemed relatable." From there, the song zeroes in on a single character, someone deeply loved who is secretly miserable, and who leaves the world because he likes "cinematic endings." It could be about Mr. Oberst's brother (he reminisces about being "back with you in Benson," an Omaha neighborhood), but it also sounds like it could be addressed to a lover, and it benefits from this ambiguity. Mr. Oberst carefully builds his story, from a meaningless fragment of overheard conversation to a touching denouement where a life seems to end, and the music beautifully tracks the dramatic turns.

Late in the album comes "To Death's Heart (In Three Parts)," the record's most striking song, which weaves personal and public tragedies into a deeply affecting expression of woe. In the bridge the singer says "Still think of New York every time / I see your face now it just feels like another life," and then later mentions the 2015 attacks at the Bataclan theater in Paris. "They sing 'Éphémère... éphémère... éphémère...'" Mr. Oberst offers, "and Wish You Were Here."

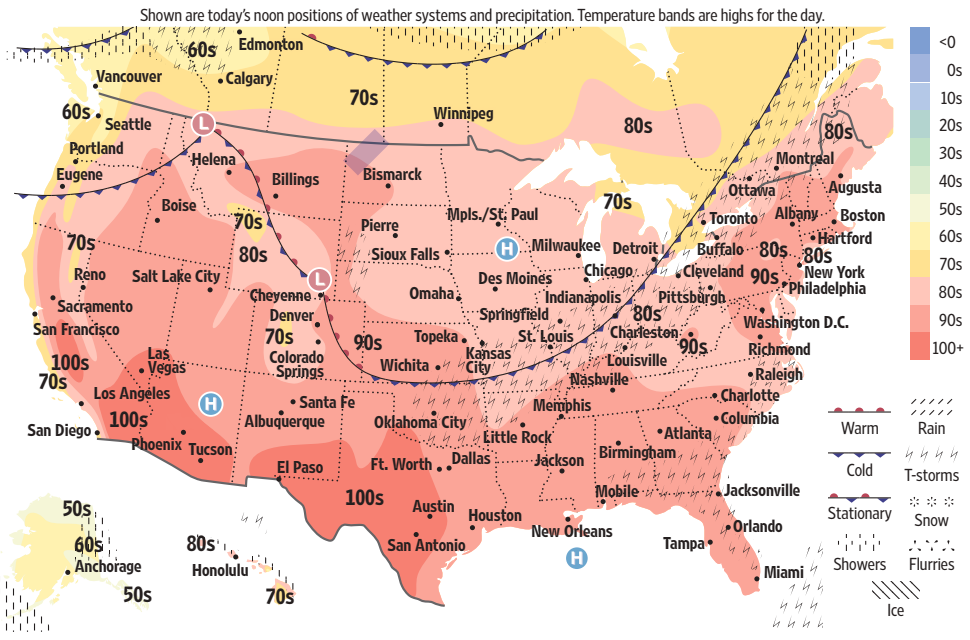
In a surreal twist, he's talking about Pink Floyd's 1975 album of that name, and the final verse tweaks lines from the earlier record's title track. "All these same fears / Year after year," goes a borrowed couplet, offering an implicit argument for the existence of this release: Almost 25 years after Mr. Oberst's first recording, the tension, anxiety and despair are still here, and Bright Eyes remains the project that allows him to dig deepest into his psyche.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.

Weather

AccuWeather Plan your week | Get the NEW app

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

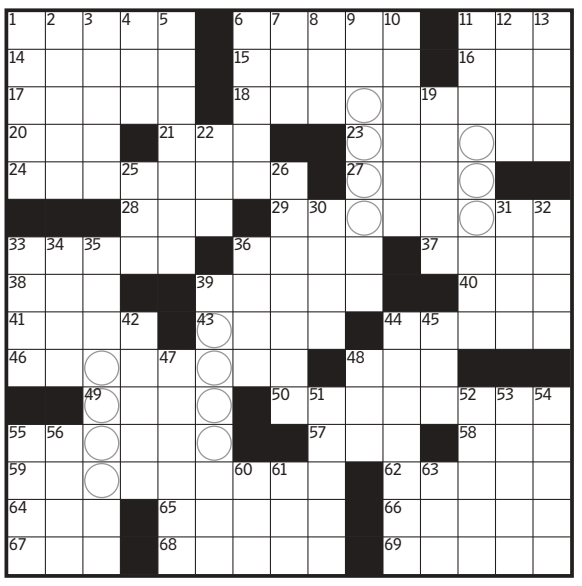
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	63	52	sh	65	54	pc
Atlanta	90	72	pc	92	73	pc
Austin	100	76	s	100	75	s
Baltimore	92	74	t	91	74	s
Boise	96	62	s	91	60	s
Boston	92	73	s	88	72	pc
Burlington	93	71	c	87	65	pc
Charlotte	90	72	pc	90	71	t
Chicago	85	66	pc	85	68	pc
Cleveland	84	65	t	82	65	c
Dallas	98	80	s	98	80	s
Denver	95	63	pc	95	64	pc
Detroit	85	64	c	86	65	pc
Honolulu	89	75	pc	88	75	pc
Houston	96	77	t	96	77	pc
Indianapolis	82	68	t	82	68	t
Kansas City	87	69	c	89	71	t
Las Vegas	105	77	s	106	83	s
Little Rock	93	72	pc	86	74	t
Los Angeles	84	62	s	88	63	s
Miami	92	80	t	92	79	t
Milwaukee	81	62	pc	83	70	pc
Minneapolis	85	63	s	81	68	pc
Nashville	94	75	pc	91	73	t
New Orleans	93	79	pc	93	78	t
New York City	90	75	s	88	74	pc
Oklahoma City	95	72	t	96	71	pc
Omaha	84	71	c	87	72	pc
Orlando	92	74	t	89	75	t
Philadelphia	91	75	t	90	74	s
Phoenix	109	87	s	112	91	s
Pittsburgh	88	66	t	86	67	t
Portland, Maine	90	71	pc	87	68	pc
Portland, Ore.	79	55	s	76	54	pc
Sacramento	89	60	s	96	59	s
St. Louis	87	71	t	87	72	t
Salt Lake City	96	69	s	93	69	s
San Francisco	73	58	pc	74	56	pc
Santa Fe	94	57	s	93	57	s
Seattle	74	53	s	74	53	pc
Sioux Falls	84	66	s	86	69	c
Wash., D.C.	91	76	pc	90	76	s

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	89	71	pc	88	69	t
Athens	93	76	s	94	76	s
Baghdad	106	79	pc	108	81	pc
Bangkok	91	77	t	90	78	t
Beijing	96	76	pc	88	74	t
Berlin	87	63	pc	87	64	s
Brussels	91	69	pc	92	71	t
Buenos Aires	56	42	s	59	45	s
Dubai	110	95	pc	104	92	pc
Dublin	70	56	pc	71	57	pc
Edinburgh	67	59	t	72	57	pc
Frankfurt	94	69	t	92	70	t
Geneva	89	66	t	91	65	pc
Havana	90	73	pc	90	75	t
Hong Kong	90	82	t	89	80	t
Istanbul	86	73	s	87	74	s
Jakarta	92	78	t	93	77	t
Jerusalem	81	69	s	82	70	s
Johannesburg	68	46	s	73	42	s
London	93	68	pc	91	69	pc
Madrid	79	62	pc	83	61	s
Manila	91	79	t	90	78	t
Melbourne	61	53	c	60	54	c
Mexico City	74	57	t	71	56	t
Milan	92	72	pc	92	71	pc
Moscow	66	55	pc	61	51	r
Mumbai	86	80	t	85	79	sh
Paris	95	72	t	95	69	pc
Rio de Janeiro	83	70	s	80	70	pc
Riyadh	106	81	pc	107	82	pc
Rome	86	69	s	87	68	pc
San Juan	90	80	pc	89	80	sh
Seoul	82	76	t	85	77	r
Shanghai	96	83	pc	97	83	c
Singapore	90	82	t	89	78	t
Sydney	62	51	pc	67	52	pc
Taipei City	88	80	c	95	79	t
Tokyo	92	80	s	91	79	pc
Toronto	81	61	t	84	64	s
Vancouver	69	52	pc	68	53	pc
Warsaw	84	56	t	80	55	s
Zurich	89	63	t	89	64	t

The WSJ Daily Crossword | Edited by Mike Shenk



HARVEST TIME | By Timothy Schenck

Across

1 Milky gems
6 Piano lesson piece
11 Toward the stern
14 Alternative to an eggbeater
15 Horace's poetry is written in it
16 Setting for many a joke
17 Simpleton
18 Like a bad password
20 Baltimore-to-Phila. heading
21 Sizable snake
23 Without sound
24 Emergency declaration on the Enterprise
27 Pretentious, in a way
28 Really bad coffee
29 Like House elections
33 First lady between Bess and Jackie
36 Stuart Little and Speedy Gonzales, for two
37 Rakish fellow
38 Worldwide workers' grp.
39 Bent out of shape
40 Words with discount or disadvantage
41 Greek portico
43 "Idylls of the King" lady
44 Does some programming
46 Emulates Toscanini
48 Do the wrong thing
49 Indian princess
50 "That's very good news!"
55 One of a couple eschewing a ceremony
57 Sixth sense, for short
58 Freud topic
59 Simple game
62 Rescued
64 Vessel boarded by pairs
65 Caught some z's
66 Not clean, in a way
67 ___ Cruces, New Mexico
68 "Sailing to Byzantium" poet
69 Edit menu command

Down

1 Dog tag datum
2 Samsung Galaxy, e.g.
3 Lent a hand
4 It was dropped in the 1960s
5 Azure
6 "Pomp and Circumstance" composer
7 Letter before upsilon
8 Bear Dance participant
9 Taken aback
10 Guarantee
11 Thoroughfare that lent its name to a 1969 album
12 Skating flub
13 Rare trick taker
19 Fragrant floral oil
22 Big ref. for word lovers
25 "What Kind of Fool ___?"
26 Georgia's capital
30 Like some Starbucks orders
31 Mandolin's relative
32 Supporting votes
33 Catchall category: Abbr.
34 Countertenor
35 Some are displayed in the Smithsonian's National Air and Space Museum
36 Source of change
39 Go around again
42 Modify
44 Arises, and what's seen four times in this puzzle
45 End for a URL
47 Apprehensive
48 Twisty letter
51 Track events
52 Iconic jeans
53 Hollywood dealer
54 Steer clear of
55 And others, for short
56 Old Italian coin
60 1773 jetsam in Boston Harbor
61 Make a choice
63 Simile center

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution

A	R	A	B	S			G	E	L		D	I	S	C
D	A	R	I	N		B	A	B	E		I	N	T	O
M	U	M	B	O	J	U	M	B	O		A	V	O	N
I	C	E		B	O	O	M			I	N	E	P	T
T	O	N	S		B	Y	A	N	D	L	A	R	G	E
S	U	I	T	E	S			E	E	L		S	A	X
	S	A	U	L			A	I	L		W	E	P	T
			B	I	G	F	I	N	I	S	H			
S	I	B	S		R	A	M			P	A	L	M	
O	N	E		P	O	I			S	A	M	E	A	S
T	H	A	T	S	G	R	E	A	T		O	G	R	E
H	A	N	O	I			B	L	U	E		P	I	N
E	L	B	A		G	R	E	E	N	G	I	A	N	T
R	E	A	D		A	I	R	S		O	R	D	E	R
E	D	G	Y		G	O	T			S	A	S	S	Y

SPORTS

College Football Faces Decision on Fall Season

As the sport's major conferences decide whether to play amid the coronavirus pandemic, players are also weighing in

By Laine Higgins And Rachel Bachman

College football is rapidly approaching its coronavirus reckoning, with major conferences coming to grips with whether it is safe to attempt a season and athletes organizing themselves in hopes of both ensuring their health and getting back on the field.

A chaotic sequence of events over the weekend showed how the discussion about canceling or postponing the season is accelerating. The Mid-American Conference on Saturday canceled all fall sports including football, becoming the first of the sport's top-tier conferences to do so.

Then on Sunday night, commissioners of the five most powerful conferences met in a hastily planned meeting without a clear resolution. Presidents and chancellors from Big Ten schools also met on Sunday, as the conference confronted the fact that its teams need to begin contact practices soon to begin the season as planned on Sept. 3.

But throughout the weekend, college football players were weighing in. The captains of the Ohio State University football team released a statement Saturday saying that they wanted to play and trusted the health protocols laid out by the university. That night, Clemson's star quarterback, Trevor Lawrence, tweeted, "I don't know about y'all, but we want to play."

The messages marked a shift in thde grass-roots concerns expressed by athletes in recent days. In separate letters drafted by athletes in the Pacific-12 and Big Ten last week, athletes had laid out health and social-justice initiatives. The Pac-12 group even threatened to sit out the season.

At 12:01 on Monday morning, however, the various athlete groups merged in a loosely organized social-media campaign led by players in all five major conferences with the hashtags "#WeWantToPlay" and "#WeAreUnited." The group is seeking cogent health protocols and the ability to opt out without penalty while allowing players to organize an association to represent players' interests.

The players gained a supporter in President Trump. On Monday afternoon he tweeted, "The student-athletes have been working too hard for their season to be cancelled. #WeWantToPlay."

It all left the impression that, with time running out to prepare for a season, the mad dash might be for naught, said Dave Ridpath, a college sports expert and professor at Ohio University. "I believe they have been pushed in a corner," said Ridpath of the biggest football conferences. "My strong guess is no season."

FROM TOP: AJ MAST/ASSOCIATED PRESS; MATTHEW STOCKMAN/GETTY IMAGES

Above, Ohio State players after the 2019 Big Ten championship. Clemson's Trevor Lawrence, below, tweeted 'I don't know about y'all, but we want to play.'

The scramble is all owing to the continuing coronavirus pandemic. The spread of the virus has slowed somewhat in the past month but not near enough to consider the U.S.'s transmission curve flattened. With the start of football season just under four weeks away, there's no longer any wiggle room for a "wait and see" approach to work for college athletics.

That means a final decision must come soon from the commissioners of the five biggest and wealthiest conferences in college athletics: the Atlantic Coast, Big Ten, Big 12, Pac-12 and Southeastern Conferences.

Months ago in March, when college basketball's marquee tournament evaporated almost overnight, these five commissioners were operating in lockstep and had almost daily calls.

But college football's governance is diffuse, and in recent weeks the conferences have been acting independent of each other to try to preserve their seasons. Over a series of weeks, they have canceled nonconference games and rearranged schedules to feature matchups almost entirely featuring conference opponents.

The lack of uniformity was evident in the conferences' scheduling decisions: the Big Ten planned to kick off its season on Sept. 3, while the SEC and Pac-12 said they would wait three more weeks until Sept. 26. Teams in the Big Ten started the first phase of training camp last week, with their start dates less than six weeks away.

Then on Saturday came a blow from the Mid-American Conference, the first league in the top tier Football Bowl Subdivision to announce it would postpone fall athletics until the spring.

The decision came with a caveat, according to commissioner Jon Steinbrecher. "Ultimately the decision maker on that is likely to be the virus and where we are at that point in time," he said.

The move immediately placed pressure on bigger and more powerful conferences.

Teams in the Big Ten would normally be ramping up to contact in practices, but in the wake of the MAC announcement, the Big Ten presidents told coaches to sit tight over the weekend.

"I think there will be pushback on some of the campuses if there's no football from people who believe that those consequences were overrated or not accurately predictive," said Jo Potuto, a law professor at Nebraska who served for two decades on various committees in the Big Ten, Big 12 and NCAA. "And schools will have to deal with that."

How much sway athletes have in the matter is unclear. Although more than three dozen players have said they would forgo any 2020 season, they have no decision making power. That rests squarely in the hands of the 65 university leaders and five men leading the major athletic conferences.

"The power conferences are really calling the shots right now," said Ridpath.

JASON GAY

Secrets of the NBA's Bass-Fishing All-Stars

The NBA will soon finish its regular season inside its pandemic-defying bubble on Disney property in Orlando, Fla. Next up: the bubble playoffs, with a bubble champion to be crowned in October.

Will it be the Clippers? The Bucks? The Broncos? The Red Wings?

I have no idea! This isn't a column about basketball.

This is about fishing. Specifically, bass fishing.

Bass fishing is quite the leisure diversion inside the NBA bubble, where the world's finest hoopers are walled off from the outside world, with unlimited access to a Xanadu of Florida vacation habits. You have your golf nuts, your tennis hackers, your cornhole beanbag-throwers, your pickleballers, and, of course, there was some scattered grumbling about the room service.

No offense to those silly pastimes, but bubble fishing is where it's at. As soon as the NBA turned up in Orlando, player Instagram feeds began to fill with photos of tall men holding small fish.

The bubble, it turns out, is a fishing paradise.

"It's really good," said Devon Hall of the Oklahoma City Thunder. "I've caught some good-sized bass out here."

The best-known fisherman in NBA circles is probably Paul George of the Clippers, a perennial All-Star on the court who has hosted a fishing tournament of his own. But anglers abound. Chris Paul of OKC is said to be skillful. Indiana's T.J. Leaf and Memphis's Jonas Valanciunas, too. Even Boban's been fishing—as in Boban Marjanovic, the beloved 7-foot-4 big man from the Dallas Mavericks.

"My fishing skills are getting much better," said Marjanovic. "I was sooooo bad."

"They're really competitive with each other," said Michael Whitt, who supervises recreation at the Disney resorts and hotels. "Some of them will sneak out in the morning and come find us and say, 'Hey, can you show me some tricks?' "

Who's the NBA's fishing MVP? What's the All-NBA Fishing First Team?

"There's a couple of guys on the Magic that I'd put up against them any time," said Whitt.

Like whom?

"Gary Clark," Whitt said of the Orlando forward, who grew up in North Carolina. "If I had to choose someone for my fishing team, I'd choose Gary Clark...you can tell he knows what he is doing."

When I spoke to Clark, he sounded like he'd gone to heaven. He'd brought his own tackle into the bubble.

"I do all kinds [of fishing], but I'm really good at bass fishing," he told me. "Cat fishing or deep-sea fishing, you can't really control if something is hitting that day. [With bass fishing], my theory is that if you dance your worm the right way in the water..."

See: This is the other thing. If you know a bit about bass fishing, you know it is a sport with endless talk about baits, techniques, locations, casting, water temperature, depth, and on and on and on. Style and situation is as meaningful as it is in basketball. Do you use crankbaits? Spinnerbaits? Do you deadstick? Drop shot?

(I act like I know what I am talking about. I do not know what I am talking about. I merely share my home with a 7-year-old who is obsessed with bass fishing. That kid could fill a car ride from the St. Lawrence River to New York City yapping about the last bass he caught. I know this because he did it the other day.)

"I use plastic worms, Gary Yamamoto Senko worms," Clark said. "I love Senko worms cause they sink—they're heavier worms, so I don't have to put a weight on them to throw them pretty far."

"It's not rocket science," said Hall. "Either you're going to use a live bait, you're going to use a jig, you're going to use crankbait...you switch it up."

There has been some talk that the fishing in the bubble may be *too* good, so good that it seemed suspicious, to the point where league observers have wondered if the NBA ordered the bubble waterfront restocked with bass before the players arrived. Perhaps commissioner Adam Silver was snorkeling among the weeds, attaching hawgs to the hooks of point guards and power forwards.

Paul George of the Los Angeles Clippers poses with a fish he caught inside the NBA's Orlando, Fla., bubble.

But Disney's Whitt said that the resort lakes—originally stocked with 70,000 bass fingerlings in the late 1960s when construction was under way, and not fished for close to a decade after that—haven't had any form of recent resupply.

"We haven't stocked it in years," Whitt said. "It's natural now."

The NBA denied any restock.

"Reports of the NBA stocking the pond with fish are complete abalone," said league spokesperson Mike Bass. "There is nothing fishy going on."

Yes, the NBA spokesperson's name is Mike Bass. So technically, BASS DENIES BASS.

In the end, the best part about fishing inside the bubble is that it's, you know, fishing. The world's gone upside down for the past few months. A pandemic lingers. Protests for social justice continue. There's pressure inside the bubble, too—to push on in the playoffs, make those critical shots, and not let Giannis Antetokounmpo dunk in your face.

But fish are fish. They're not watching cable news or calling into sports radio to yell about your minutes. Their world is the lake, not the Lakers.

"It's really calming," said Clark. "For however long I'm out there...I can detach myself from outside world. It's probably the best part about fishing."

"It makes you have patience," said Hall. "I enjoy that."

Of course, these fishermen are also pro athletes. They want to win. They visualize success. In the bubble, they dream about a trophy, and holding it high in the air.

"There's no way this lake doesn't have 10-pound bass hanging out in there," Clark said.

JIM POORTEN/NBAE/GETTY IMAGES

OPINION

Who Needs Billionaires?

MAIN STREET
By William McGurn

Rep. Alexandria Ocasio-Cortez has a demand for Gov. Andrew Cuomo. In a new video, the progressive Democrat from Queens says it's time "to stop protecting" billionaires and "pass a billionaires tax." The idea is to make billionaires cover New York state's expected $13.3 billion Covid-induced budget shortfall.

It's hardly a surprise to find Ms. Ocasio-Cortez enlisting in the new #MakeBillionairesPay campaign. In Albany, a billionaires tax and an ultramillionaires tax are already among the bills under consideration. Yet in his response Mr. Cuomo sounded downright Republican, almost as if he were channeling economist Art Laffer of Laffer Curve fame:

"A single percent of New York's population pays 50% of the taxes, and they're the most mobile people on the globe," the governor said. With 118 billionaires, New York revenues would take a big hit if even just a handful of them were to leave.

Some of his best friends are billionaires, Mr. Cuomo went on to say, and New York needs to be nicer to them. He's personally been begging those who have taken refuge at summer homes to move back to the city. "I literally talk to people all day long who are now in their Hamptons house who also lived here, or in their Hudson Valley house or in their Connecticut weekend house, and I say, 'You gotta come back, when are you coming back?' " Mr. Cuomo said.

"'We'll go to dinner, I'll buy you a drink. Come over, I'll cook,'" the governor tells them. But "they're not coming back right now. And you know what else they're thinking? If I stay there, I pay a lower income tax because they don't pay the New York City surcharge." For high-earners that's nearly 4% of income on top of Albany's take of a little under 9%.

Almost instant confirmation of the soundness of the governor's assessment here came when Bill de Blasio blasted him for it. The mayor emphasizes he has no intention of trying to make the city's tax policy more attractive to people with wealth. And if Congress won't pony up the dollars the city and state need, "we should immediately return in Albany to the discussion of a tax on wealthy New Yorkers."

This isn't the first time Mr. Cuomo has taken issue with the soak-the-rich crowd, though he hasn't put his money where his mouth is. In his 2010 run for governor, he vowed to allow a "temporary" millionaire's tax to expire on schedule, saying that to let it stand would be a new tax. But in the end he did let it stand, although he trimmed it back a bit, and 10 years later this "temporary" tax remains.

Likewise with Mr. Cuomo's opposition to hiking taxes on the rich today: It's limited to New York. He's fine with the feds taxing the rich for him, then distributing the money back to states.

AOC demands even more onerous taxes. Not so fast, says Gov. Andrew Cuomo.

"Cuomo's plan is twofold," says E.J. McMahon of the Empire Center for Public Policy. "First, he's banking on a compromise congressional deal that gives him sufficient federal aid to plug this year's budget hole. Then, hope Biden wins and Democrats keep the House and take the Senate, which probably means another round of stimulus and big federal tax increases."

Mr. Biden has also pledged to lift the cap on federal deductions for state and local taxes—another item on Mr. Cuomo's wish list. Politicians in high-tax states love this deduction because it hides from taxpayers the true costs of their state governments.

Billionaire former Mayor Michael Bloomberg once said New York City is a "luxury," meaning people were willing to pay more for the high value it provides. The question is whether the wealthy will still be willing to pay that premium—and underwrite the spending—for a city where shootings and murders are on the upswing, not to mention rising homelessness and other afflictions.

On top of all this, the Covid-19 pandemic has exposed how vulnerable overtaxed states and cities are. Tens of thousands of people have now discovered they can work remotely, meaning they don't even have to be in the greater New York area to do their jobs. In the long term this will have unsettling implications for everything from the city's workforce to state and local tax revenues—and not only for New York.

"You are kidding yourself if you think you can be one of the highest-taxed states, have a reputation for being anti-business and have a rosy economic future," the governor said back in 2011. It's as true today as it was then, even if the Cuomo years have done little to change New York's ranking as one of America's most overtaxed states. And if the governor hopes to persuade billionaires now thinking of leaving to stay put, he'll have to offer them more than a home-cooked dinner.

Write to mcgurn@wsj.com.

Saffron India Is an Opportunity and Danger

GLOBAL VIEW
By Walter Russell Mead

Indian Prime Minister Narendra Modi didn't only lay the cornerstone of a new Hindu temple last week. He was also setting the foundation for a new order in the Indo-Pacific: one in which India will have a closer relationship with countries like the U.S., Japan and Australia, but in which Hindu-Muslim and India-Pakistan tensions will complicate efforts in Washington and Beijing to keep U.S.-China relations from spiraling out of control.

Mr. Modi's many critics in India and the West have focused on the domestic consequences of India's turn to Hindu nationalism—sometimes called "saffron politics"—which could alienate, marginalize and even endanger the approximately 182 million Muslims, 30 million Christians and other religions minority groups in India. These concerns are not baseless. The number of attacks on Christians has grown dramatically in recent years, while a range of legislation directed at Muslims stokes fears that India's largest minority could be relegated to second-class status.

The rise of Hindu nationalism is not only a response to domestic pressures. Beijing is challenging New Delhi by sea and land, from the Indian Ocean to the mountains of Kashmir. This country of about 1.4 billion people and 22 languages needs an idea around which it can rally as it summons the energy for the contest. The stale Nehruvian mix of secularism and socialism has lost its mass appeal. Mr. Modi's saffron politics has its drawbacks, but there is no realistic alternative in India today.

Yet if Hindu nationalism helps Mr. Modi assemble the political power needed to make India great, it comes with a price: the intensification of India's rivalry with Pakistan and the deepening of Pakistan-China ties in response. Pakistan has long sought to undermine New Delhi's rule over the majority-Muslim Jammu and Kashmir region. India's decision last year to strip the region of its semi-independent status fulfilled a longtime demand of Hindu nationalists, but it also increased the danger that Pakistan will infiltrate terrorists or arm Kashmiri resistance groups.

To block this, India must bolster its defenses along the Line of Control that separates Indian- and Pakistani-administered areas. But Beijing also controls part of Kashmir, and Indian buildups in this strategic area threaten Chinese territorial interests as well as the security of transit lines on the China Pakistan Economic Corridor that come close to the Line of Control. Beijing does not intend to let New Delhi dominate the contested region, and this summer's border clashes could be a sign of more trouble to come.

India historically has responded to Pakistani meddling in Kashmir with support for rebel groups in Pakistan, notably in the tumultuous province of Balochistan. China seeks to turn the strategically located Balochi port of Gwadar into a major sea and rail hub. Balochi independence fighters recently announced that they intended to prioritize Chinese interests and citizens in their violent independence campaign. This is unlikely to end well for anyone.

Hindu nationalism's rise will help the U.S. check Beijing but raises the risk of war.

Hindu nationalist policies also increase India-China tensions in the northeast. In recent decades, Muslim migrants from Bangladesh have moved to India in search of better lives. In India's restive northeast, local populations see these migrants as rivals for resources. Hindutva politicians—India's hard-line nationalists—have long called for tough action against such migrants, and the Modi government has obliged. Along with other anti-immigrant measures, a recent purge of the citizenship rolls in the northeastern state of Assam left almost two million people—mostly Muslims—in legal limbo. Mr. Modi has told migrants who came later than Bangladesh's 1971 War of Independence to "be prepared with their bags packed."

This is a popular line with many Indians, but has led to a significant worsening of normally friendly Indian-Bangladeshi relations. Bangladesh, already struggling to manage the influx of Rohingya refugees from Myanmar, has no desire to absorb large numbers from India. China, always on the lookout for opportunities in the region, has been quick to offer the Bangladeshis assistance, investment and support.

For U.S. strategists, saffron India's militancy is both a significant asset and a major headache. On the positive side, America's task of building a regional coalition to balance Beijing's power becomes much easier if India has a stable governing party that is willing and able to focus on the China threat.

But there is another side to the story. Ever since the Corcyraeans and Corinthians drove a reluctant Athens and Sparta into the Peloponnesian War, the danger that hot-headed allies can drag their superpower patrons into local conflicts has been a major factor in international life. Beijing cannot allow Pakistan to collapse without massive blows to its prestige and interests. Washington cannot easily allow India to suffer humiliation at the hands of its enemies. That gives both India and Pakistan leverage over their allies, and increases the obstacles for American strategists looking to stabilize the Asian balance of power while minimizing the risk of a U.S.-China war.

Matching Homegrown Talent to Local Jobs

By Jamie Dimon And Félix V. Matos Rodríguez

Today's economic crisis is exacerbating economic and racial divides and exposing systemic barriers to opportunity. As we begin to rebuild, business leaders need to reaffirm their commitment to benefit all their stakeholders and the communities in which they operate.

When New York companies do well, New Yorkers don't always share in that success. Even before the pandemic, 400,000 New Yorkers remained unemployed from 2018-19, while 1.2 million job openings went unfilled. With a vast pool of students and a massive educational system, the talent is here. Too often, however, we miss the chance to match high-achieving New Yorkers from every ZIP Code and borough with opportunities at the city's top employers. Young people in low-income and minority communities feel this failure the most.

Unless we actively work to close the gap, Covid-19 will make matters worse. An inclusive recovery will require collaboration between business, educational institutions, government and civic leaders.

Our new CEO Jobs Council will open doors for New Yorkers.

That is why today more than two dozen employers and educational institutions are announcing the New York Jobs CEO Council, a joint initiative to transform job training, recruiting and hiring in the city. Participants include Google, IBM, Verizon, Amazon, McKinsey, Microsoft, Memorial Sloan Kettering and the City University of New York.

The council will create sustained pathways for opportunities in the city, better aligning educational programs with skills that employers need as the demands of the labor market rapidly evolve. This will alleviate unemployment—filling currently open jobs through skills training and empowering communities for the jobs of the future.

We will focus on hiring for skills, not necessarily degrees. While credentials are important, an obsessive focus on them unnecessarily prevents qualified, talented people from accessing promising career pathways. A 2017 Harvard Business School study found that as a result of degree requirements, 3 in 5 employers rejected qualified middle-skill candidates with relevant experience. Skills-based hiring will lift the barriers to entry that hold black and Hispanic candidates back.

By bringing together the city's largest employers, the nation's largest urban university system, the New York City Department of Education, effective nonprofits and local community leaders, we can finally help connect untapped talent with in-demand jobs. The Jobs Council will make it possible for our companies to hire 100,000 New Yorkers by 2030, including at least 25,000 CUNY students. These are well-paying jobs that will help New Yorkers gain access to economic opportunity and a path to the middle class.

People often say that we must "open the doors" of opportunity. We want to remove those doors completely and ensure New Yorkers are no longer shut out of opportunity in their own city. This will strengthen the city and help all of its residents seize the jobs of today, tomorrow and beyond.

Mr. Dimon is CEO and chairman of JPMorgan Chase. Mr. Matos Rodríguez is chancellor of the City University of New York.

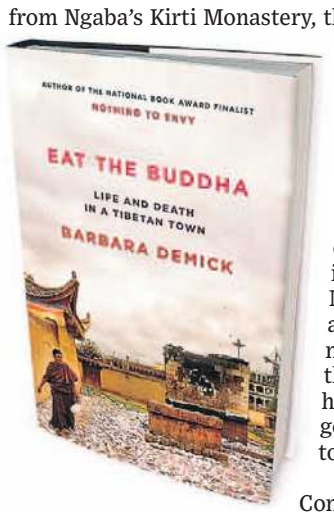
BOOKSHELF | By Tunku Varadarajan

The Harrowing Of a Homeland

Eat the Buddha

By Barbara Demick
(Random House, 325 pages, $28)

Ngaba, an eastern Tibetan town with 10,000 people, is "the undisputed world capital of self-immolation." So writes Barbara Demick, author of "Eat the Buddha," an oral history of Ngaba. In 2009, she tells us, a Buddhist monk "doused himself in gasoline on the main street, while calling for the return of the Dalai Lama"—Tibet's exiled spiritual leader. A wave of self-immolations followed. Ms. Demick says that 156 Tibetans have set themselves on fire since then, "nearly one-third of them from Ngaba." (The most recent was in November 2019.) Thirty were monks from Ngaba's Kirti Monastery, the town's largest.


AUTHOR OF THE NATIONAL BOOK AWARD FINALIST
NOTHING TO ENVY
EAT THE BUDDHA
LIFE AND DEATH IN A TIBETAN TOWN
BARBARA DEMICK

Why Ngaba? Why was this "nothing little town," which got its first traffic light only in 2013, "putting Tibet back in the headlines"? Why were "so many of its residents willing to destroy their bodies by one of the most horrific methods imaginable"? The title of Ms. Demick's book offers an answer, evoking blasphemous incidents from 1935, the remembrance of which has been kept alive by generations of unforgiving townsfolk.

That year, Mao Zedong's Communist troops, in strategic retreat from the Chinese Nationalists, descended on Ngaba at the end of their Long March. Starved and ragged, yet well enough armed to vanquish the locals, they desecrated Ngaba's monasteries. Not only did the soldiers steal treasures and defecate on religious texts, they boiled and ate the hides of ceremonial drums. "They even ate figurines that had been sculpted out of barley flour and butter"—votive offerings made by the monks. Ms. Demick writes that "as far as the Chinese were concerned, they were literally eating the Buddha. They knew it was sacrilegious, but they didn't care."

Ngaba's first, harrowing encounter with the Communists foreshadowed its forcible incorporation into China—along with the rest of Tibet—in 1950. In the ensuing decades, many more indignities were heaped on the Tibetans. Alongside a brutal cultural cleansing by the Chinese, the Tibetans were made vassals in their own land. Their monasteries were razed during the Cultural Revolution, their farmlands, livestock and businesses seized, and their territories flooded with Chinese settlers.

The 21st century gave Ngaba more fuel for resentment. On March 16, 2008, months before the start of the Beijing Olympics, protests erupted after a monk at the Kirti Monastery yelled "Long live His Holiness the Dalai Lama!" at a prayer meeting. As riled-up monks spilled out onto the main street, they were joined by ordinary Tibetans in an unprecedented display of insurrection against Chinese rule. The police opened fire.

How many died? "Exact numbers," Ms. Demick says, "are hard to come by in China, a country with a penchant for statistics but a political culture that prefers not to publicize them when they present an inconvenient truth." Xinhua, the state-run news service, stated that there had been no deaths. Tibetan exile groups, according to Ms. Demick, put the toll at 21 dead.

The ordeals of a powerless but spiritual people suffering under Chinese rule—and protesting their fate dramatically.

Testifying before a U.S. congressional commission in 2011, the exiled head of the Kirti Monastery said: "The people of this region have a particular wound causing excessive suffering that spans three generations." The self-immolations, Ms. Demick suggests, are a form of hitting back—the moral riposte to China of a powerless but spiritual people who have "so thoroughly incorporated the Dalai Lama's teachings about nonviolence that they hurt nobody but themselves."

The author, a former Beijing bureau chief for the Los Angeles Times, has made three surreptitious trips to Ngaba. (Foreigners are barred from the area.) Her story is woven together from interviews she conducted in the town with the help of interpreters, as well as from conversations she had with people from Ngaba who now live in India. The human portraits she paints are touching, often heart-rending, none more so than that of Gonpo, "the last princess," daughter of the local king.

Born in 1950, Gonpo was 9 when her father's palace was confiscated and he was arrested by the Communists. She was deported to Beijing with her mother, her father joining them a year later, a shell of his former self after long spells in solitary confinement. She lost her parents when she was 17—her mother disappeared, her father killed himself—and was soon in the throes of the Cultural Revolution, branded as a class traitor even as she sought to survive as "a thoroughly Chinese girl." She was spat on and beaten by her peers, and eventually banished to hard rural labor.

Gonpo married a kind young man she met at the work camp—a Han Chinese detainee—with whom she had two children. She lives today in India, part of the Tibetan diaspora. So, too, does Tsegyam, another of Ms. Demick's interlocutors: A schoolteacher, he circulated smuggled copies of the Dalai Lama's autobiography in Ngaba and was jailed by the Chinese for posting pro-freedom signs in town. In 1992, he slipped across the border and works today as the Dalai Lama's private secretary.

There are other characters who bring Ngaba to life: Dongtuk, a young monk who offers a window into a religious world in ferment; Norbu, a black-marketer who trades with the Chinese even as he resents them; and Hua, an ethnic Chinese shop assistant who marries Norbu, beguiled by his exotic Tibetan ways.

The union of Norbu and Hua suggests that the life of a Tibetan under Chinese rule is not always without joy. And yet in truth, the mood of occupied Tibet is sad and defeated—summed up by a character who appears late in Ms. Demick's valuable and elegant book. A successful businessman in Ngaba, he has two homes, two cars and the latest iPhone. But despite decades of trying—and no record of political trouble—he has yet to be granted a passport. "I have everything I might possibly want in life," he says, "but my freedom."

Mr. Varadarajan is executive editor at the Hoover Institution.

OPINION

REVIEW & OUTLOOK

Blackballing Chinese Stocks

The Trump Administration is hardening its line against Beijing on many fronts, including a ban on some Chinese tech platforms. This may be necessary in some cases to protect national security. But the Administration's threat last week to kick Chinese companies off U.S. stock exchanges could backfire by harming Americans and playing into Beijing's hands.

Barring firms from U.S. exchanges could play into Beijing's hands.

The Senate unanimously passed a bill in May banning Chinese companies from U.S. exchanges if they don't give the Public Company Accounting Oversight Board (Pcaob) access to their independent audits. Last week the President's Working Group on Financial Markets endorsed this policy while admitting its myriad pitfalls.

Congress established the Pcaob in the 2002 Sarbanes-Oxley Act after the Enron and WorldCom accounting frauds. Many countries including France and Belgium have privacy and national-security laws protecting business records, but the U.S. has cooperative agreements with more than 70 to share audit information.

China, on the other hand, has barred any institution, organization or individual in the country from providing evidence or assistance to a foreign country's criminal proceedings. This has prevented the Pcaob from inspecting the audits of Chinese firms even when the auditors are affiliates of U.S. accounting firms like Deloitte and KPMG.

The Securities and Exchange Commission has identified 282 U.S.-listed companies including Tencent Music, Baidu and NIO electric cars for which the Pcaob faces obstacles to inspecting audits. The Administration report claims this puts American investors at risk, and the Luckin Coffee fraud this spring brought home the perils of investing in Chinese equities.

But it's not clear more U.S. regulatory oversight would have prevented the fraud. Luckin's auditor, Ernst & Young Hua Ming LLP, said it discovered and reported to the company's audit committee that much of its sales in the three quarters after it went public on Nasdaq last year were fabricated, which the company disclosed to investors in April. Nasdaq halted trading in Luckin shares and said it would delist the company.

The political instinct to crack down on Chinese companies is understandable, but booting them from U.S. exchanges will drive them to Hong Kong or Shanghai where there are fewer investor protections. Many Americans will still hold shares in these companies through retirement and exchange-traded funds, especially those chasing higher growth and yields.

As the Administration report notes, U.S. investors could still "purchase such securities on foreign exchanges, and these purchases may be subject to fewer investor protections than in the United States." What's more, "China actively encourages mainland issuers to list on Hong Kong or mainland exchanges rather than on foreign exchanges."

China's securities market regulator recently announced that it would support Hong Kong's development as an international financial center by revising policies such as allowing mainland investors to buy dual-class shares and relaxing requirements for listing. Beijing is also seeking to build Shanghai's new tech STAR exchange into a Nasdaq rival.

Several large Chinese companies including JD.com and NetEase in recent months have announced secondary listings in Hong Kong or Shanghai. China's Ant Group, an Alibaba affiliate, last month unveiled plans to float shares this year with dual listings in Hong Kong and Shanghai in what could be the world's biggest initial-public offering in history.

Executive chairman Eric Jing said the listings would promote Shanghai's STAR and Hong Kong exchanges by drawing global investors. As a Peterson Institute for International Economics report explained last month, "the market for capital is global. Shutting out Chinese firms from listing in the United States would not deny these firms access to US capital." Instead, it could help Beijing attract more foreign capital and in effect reward its Hong Kong oppression (see nearby).

A smarter U.S. policy would remind investment advisers of their fiduciary duty vis-a-vis Chinese equities and require fund providers to disclose accounting risks for Chinese companies. Index stock trackers should also start weighing a country's investor protections. Decoupling U.S. financial markets from China will come at a high price and may hurt Americans more than Beijing.

Jimmy Lai Is Arrested in Hong Kong

Last year's protesters in Hong Kong are quickly becoming this year's martyrs for democracy. On Monday police arrested media tycoon Jimmy Lai under the new national-security law, and some 200 officers raided the newsroom of his pro-democracy Apple Daily.

The pro-democracy media tycoon may face life in prison.

Police arrested Mr. Lai for sedition, criminal fraud and "collusion" with vaguely defined foreign forces. Mr. Lai's real crime is that he is Hong Kong's most effective international advocate and speaks the truth about the Communist Party. Mr. Lai met last year in Washington with Vice President Mike Pence, Secretary of State Mike Pompeo and Members of Congress, and he has also written for these pages.

If Mr. Lai, 72, is convicted under the new law he may face life in prison. On Monday police also arrested Mr. Lai's two sons and four employees of his publishing company. All will have excellent lawyers, but in another assault on the rule of law only judges approved by the Communist Party can decide national-security cases.

China's state-run media are already predicting the verdict. The Global Times wrote Monday that Mr. Lai "is widely seen as a 'modern traitor.'" It also claimed that Apple Daily "has played a role of instigating hatred, spreading rumors and smearing Hong Kong authorities and the mainland for years," "played an active role in inciting anti-government riots," and "is backed and funded by foreign forces to bring about a 'color revolution'" in Hong Kong. For years Beijing has coerced advertisers into blacklisting Apple Daily, and watch now as it tries to use the new law to drive the newspaper out of business.

All of this is a warning to local and international media in Hong Kong to shut up about freedom or also risk arrest. Mr. Lai is the most high-profile figure arrested under the new national-security law, but late last month the police arrested four little-known students, the youngest only 16.

Last week the U.S. imposed sanctions on Chief Executive Carrie Lam, police commissioner Chris Tang and nine others who have deprived Hong Kongers of their rights. China retaliated Monday with sanctions against 11 Americans including GOP Sens. Ted Cruz and Marco Rubio, but that's a sign the U.S. voices are having an effect. As the Communist Party silences Hong Kongers, it's all the more important for the world to speak out for them.

Mayhem Continues, Narrative Crumbles

The press has been playing defense for Portland anarchists for weeks, suggesting riots and arson against a federal courthouse were provoked by federal agents protecting it. When the Trump Administration lowered the profile of its agents in an agreement with the state government, the media's protest cheerleaders were eager to report that the real cause of the violence had gone away. "Trump ordered federal forces to quell Portland protests. But the chaos ended as soon as they left," said a July 31 Washington Post headline.

Looters rampage in Chicago and arson returns in Portland.

So much for that. Over the weekend Portland police were forced to declare two riots. On Friday police said "people defied orders to disperse and threw rocks, frozen or hard-boiled eggs and commercial-grade fireworks at officers," the Associated Press reports. Rioters also "filled pool noodles with nails and placed them in the road, causing extensive damage to a patrol vehicle." On Saturday night, arsonists set a fire inside the Portland police union building and rioters outside landed two officers in the hospital. Rioting continued late Sunday, injuring more police.

The narrative of peaceful protesters set upon by bloodthirsty law enforcement officers in Portland is becoming unsustainable even for progressives. Portland Mayor Ted Wheeler, who ostentatiously denounced the Trump Administration's efforts to protect the federal courthouse, had a rendezvous with reality after people tried to set ablaze a police precinct on Wednesday night. "When you commit arson with an accelerant in an attempt to burn down a building that is occupied by people that you have intentionally trapped inside," he said, "you are not demonstrating. You are attempting to commit murder."

Meanwhile in Chicago on Sunday night, hundreds of looters ransacked stores along the Magnificent Mile, one of America's premier commercial streets. The Chicago Tribune reports that some looters "could be seen throwing merchandise into rental trucks and other large vehicles before driving away." The city pulled up drawbridges to control entrance to the downtown, and 13 cops were injured.

Homicides in the city are up 52% compared to last year, and Alderman Brian Hopkins told CBS local news on Friday that "If people are afraid to come downtown, they fear for their life, they're not going to want to shop here." He said a greater police presence is needed to protect Chicago's downtown and that he "tried to impress" the gravity of the situation to the mayor and police superintendent. "We'll see if they respond," he added. Judging by the mayhem of Sunday night, they did not.

All of this raises the question of how long the mainstream press and Democratic politicians can publicly maintain the fiction that violence surrounding "mostly peaceful" protests is a nuisance of little consequence and that the real villains are the police. The longer this willful distortion continues, the longer the economic immiseration of places like Chicago will persist even after the pandemic ends.

LETTERS TO THE EDITOR

A Caution to the Politicking Teachers Unions

Your editorial "School-Opening Extortion" (Aug. 4) shows how teachers unions feel entitled to make ludicrous demands and use government power to keep private and charter schools closed. They know this will drive many private schools—their competition—out of business.

Republicans should be hitting the airwaves, reciting what the teachers unions demand in exchange for reopening schools. Many voters will be surprised to learn that a "moratorium on new charter or voucher programs and standardized testing" is a necessary condition. Some teachers unions even demand the defunding of police before they'll return to the classroom.

In the Senate, Republicans should pass legislation offering every child in a district that doesn't reopen a voucher to attend the school of his choice. When other schools are willing to reopen, let Democrats explain why children should be forced to remain at home, held hostage by the teachers unions.

RONDA ROSS
Austin, Texas

To say that teachers unions see Covid-19 as an "opportunity" is unfair. Teachers like myself want more than anything for life to return to normal. Parents like me want the same. We know that teaching and learning from home is difficult. It wasn't the best for my own children, the students I teach or my fellow educators.

A reluctance to return to a workplace that may be unsafe for adults, children, families and communities is something that many share. It isn't the design of teachers or teacher unions to keep students out of school for one second longer than necessary.

JENNIFER EHMANN
Getzville, N.Y.

The editorial board is right to chastise teachers unions for exploiting the pandemic to harm private and charter schools. Ironically, by their actions, teachers unions are accelerating a development that may erode some of their power: the rise of microschooling and "pandemic pods."

The microschool is a 21st-century reimagining of the one-room schoolhouse, in which a small number of students of varying ages learn together. Generally, microschool parents pool resources to hire an instructor, while "podding" parents take turns teaching themselves.

Microschools and pods are popping up nationwide in living rooms, libraries, parks and partially shuttered restaurants. Families are turning to social media to connect with other potential podders and share ideas. The "Pandemic Pods" Facebook group already has more than 35,000 members and has spawned dozens of official local chapters plus countless more independent groups. Prenda, a microschool network in Arizona, began with seven students in 2018. Now it's approaching 2,500 students and expanding nationwide.

Microschools have obvious benefits amid a pandemic, including in-person instruction and socializing with only minimal exposure. But parents may find their students like the personalized instruction and opportunity to advance at their own pace better than their previous school environments.

The pandemic is spurring parents to explore alternative ways of educating their children. As teachers unions refuse to compromise for the good of students, many microschooling and podding parents may never look back.

JASON BEDRICK
Director of Policy, EdChoice
Phoenix

The ACLU Responds on Prisoners and Covid

Sean Kennedy's "You're More Likely to Catch Covid at Home Than in Jail" (op-ed, July 25) is simply false. For months, Covid-19 has ravaged prisons and jails. As of Aug. 6, more than 93,600 incarcerated people have tested positive and 790 have died. Those people weren't sentenced to die and they didn't deserve that fate. But deprived of masks, many incarcerated people are living in overcrowded cells that aren't adequately sanitized.

Mr. Kennedy's selective, anecdotal presentation of crime rates doesn't stand up to scrutiny. Early data show that crime has remained level in most cities that have released incarcerated people, and that crime rates are functionally unrelated to decarceration. That said, Covid-19 is compounding the forces that lead to crime. These societal problems can't be addressed through the same mechanisms that created them: criminalization, oppression and incarceration. Mass incarceration only leads to broken communities and more crime.

Americans are finally acknowledging that the criminal legal system views black and brown people as disposable. We reject this inhumanity—and the fearmongering talking points that got us here.

CYNTHIA ROSEBERRY
ACLU
Washington

Fighting Back Against the Woke Corporation

What should you do "When Your Favorite Companies Go Woke" (op-ed, Aug. 6), as Dave Seminara complains they have? Start by reading Noam Chomsky.

Or Herbert Marcuse, Michel Foucault or any of the other New Left intellectuals at which the right has hurled invective for decades. Much of that invective was justified: Mr. Chomsky's anti-Americanism, Marcuse's antiliberalism, and Foucault's obsession with power all contributed to what we now call "wokeness" and its corollary, the woke corporation.

But these thinkers won't only give you a sense of where corporate wokeness comes from. They'll also give you the vocabulary to critique it.

Each stressed the ways corporate power could enforce cultural conformity—through marketing, through lobbying, through firing. Each argued that "formal" or procedural freedoms are a double-edged sword—the same laws that protect your right to speech also protect your employer's right to crack down on that speech. And each understood that structural problems can't be solved by individual action; that, after all, is what a structural problem means.

Each was right. It's just that the consensus these companies are manufacturing is every bit as zany and unpatriotic as Mr. Chomksy himself.

AARON SIBARIUM
Chevy Chase, Md.

Like Dave Seminara, I have often felt that companies I patronize no longer want me as a customer. Gone are the days when businesses did good simply by satisfying their customers. Now they feel the need to bully us with their newfound, politically correct virtue.

I don't expect anything I do to alter this trend. But in my own way, I fight back. I haven't stepped foot in a Starbucks or attended a professional sporting event in years, and I don't miss them.

Some companies I can't avoid. To balance them out, I patronize organizations disfavored by the politically correct. The Salvation Army is now the largest recipient of my charitable giving, and I derive great satisfaction each time I write it a check. It's my own little counterrevolution. Mr. Seminara, here's to the resistance.

DAVID ADANTE
Massillon, Ohio

The First Amendment Is No Reason to Coddle Facebook

With due respect to Michael O'Rielly, conservatives interested in reform understand full well the purpose of the First Amendment ("Mike O'Rielly's Free Speech Fall," Review & Outlook, Aug. 5). We simply don't believe that gigantic and massively powerful social-media platforms deserve special statutory protection, as is laid out in Section 230.

Section 230 carves out unique immunities for platforms, privileges that aren't afforded to publishers such as The Wall Street Journal. No conservative who believes in the rule of law should embrace such a principle. Neither should Mr. O'Rielly, and neither should the Journal.

BRENT BOZELL
President, Media Research Center
Reston, Va.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"I worry where the next billion is coming from."

The Parties May Miss Conventions

By Tevi Troy

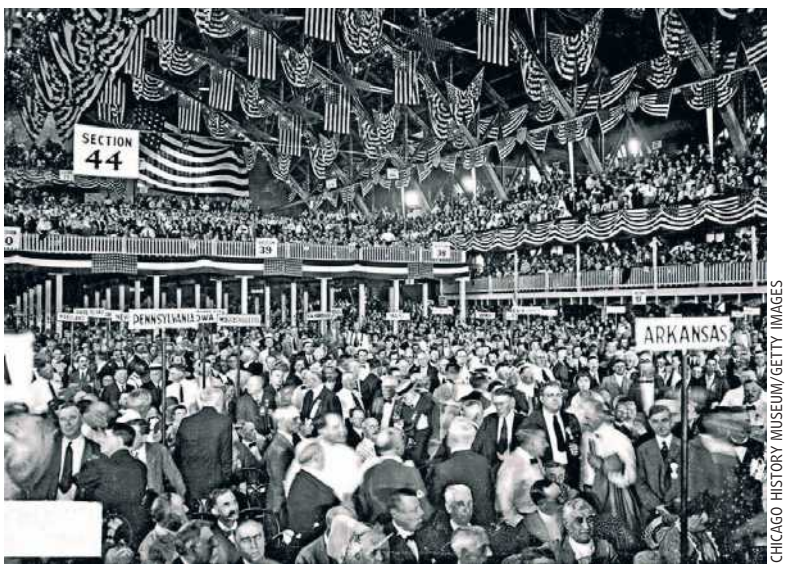
Covid-19 forced Democrats and Republicans to rethink how they will hold their political conventions this summer. Both will be mostly virtual affairs, eliminating the handshakes and personal interactions that have shaped the parties for nearly 200 years. In this way, the pandemic is accelerating an evolution that has been in motion for decades. Events that once featured smoke-filled rooms, high drama and unpredictable outcomes are now carefully produced spectacles designed for sending prepackaged messages to voters.

The political conventions started in 1831 with the Anti-Masonic Party's meeting in a Baltimore saloon. The Democratic Party held its first convention in 1832—in the same Baltimore saloon. The absence of instantaneous communications meant that face-to-face meetings were required for difficult decisions like choosing a nominee or deciding on a party platform.

They may be scripted affairs, but they help with party unity and delivering a campaign message.

As communications technologies improved, conventions became sites for important choices. In 1860, Abraham Lincoln didn't attend the Republican convention in Chicago but learned from a kid running from the telegraph office that he had received the nomination on the third ballot. In 1912, in a Democratic nomination contest that went 46 ballots, an absent Woodrow Wilson kept up to date via telephone.

With the advent of radio, party leaders realized that conventions could broadcast a party's message to the nation. Franklin D. Roosevelt was an early master of this capability. Long before his famous use of "Fireside Chats" as president, Roosevelt directed his convention speeches to the wider listening world rather than just the assembled crowd. At the 1924 and 1928 Democratic conventions, Roosevelt captivated the nation with speeches designed for the radio audience, including the famous 1924 speech that introduced Wordsworth's phrase "happy warrior" to American politics.



CHICAGO HISTORY MUSEUM/GETTY IMAGES

The 1920 Republican convention in Chicago.

Even as conventions gained an ability to broadcast party messages nationwide, they retained their role as decision-making conclaves. That 1924 Democratic convention was raucous, taking 103 ballots to settle on John W. Davis as its presidential candidate. The convention was nicknamed the Klan-bake, as 20,000 Klansmen gathered nearby in support of William McAdoo over New York Gov. Al Smith. Neither man won. In a convention marred by cursing and fistfights, Democrats found a compromise between the Catholic Smith—controversial at the time—and McAdoo, who didn't back the Klan but refused to repudiate its support.

The conventions maintained these roles into the television age. In 1976, Ronald Reagan made a late push in the GOP primaries and came to the convention within striking distance of President Gerald Ford. This, too, was a boisterous affair, as the Reagan forces tried but failed to overcome Ford. Vice President Nelson Rockefeller, who supported Ford, fumed at Reagan backers who tore out the New York delegation's telephone. In those pre-cellphone days, delegation telephones were essential for communication with campaign leadership. Reporter Ann Compton recalled that "you couldn't even walk over to another delegation. So that shows just the extent to which tempers flared."

The floor fight was contentious, but what happened afterward demonstrated the benefits of the in-person convention. A victorious Ford gave Reagan an opportunity to speak. Reagan gave a short and powerful speech that both praised Ford's "kindness and generosity" and made a strong case for supporting the Republican ticket. Former Eisenhower and Nixon aide Steve Hess remembered it as "a marvelous little speech, which pretty much declared him as the next Republican candidate." It was a spontaneous moment of reconciliation, one unlikely to happen today.

That was the last closely contested convention. Conventions have since become increasingly scripted affairs. The primary process now brings the front-runner to the convention with an insurmountable delegate lead, eliminating the need for multiple ballots. Clinching the nomination in advance allows the presumptive nominee's campaign operation to control the flow of the convention and the message sent to the wider world. For all the drama of past conventions, today's are mostly drama-free.

There are good public-health reasons for a virtual convention in 2020. But this year's completion of the transition of conventions, from decision-making events to technology-enabled propaganda sessions, may be taking away an element of what holds parties together. Conventions were designed for hashing out intraparty differences. They no longer serve that function in the same way. Yet parties may find that if they don't resolve their internal disagreements in person, they'll reappear in party splits if the nominee loses or intra-administration infighting he wins. Either way, parties may regret no longer having these opportunities to settle differences and bring about reconciliation among former opponents.

Mr. Troy is a presidential historian, a former White House aide, and author of "Fight House: Rivalries in the White House from Truman to Trump."

Untangling the Media Myths of Covid-19

FREE EXPRESSION
By Gerard Baker

Has there been in recent history a more tendentious, hysterical, data-denying and frankly disreputable exercise in misdirection than the way in which much of America's media has covered the Covid-19 epidemic?

Perhaps we can forgive them the endless repetition of pandemic porn; the selectively culled stories of tragedy about otherwise completely healthy young people succumbing to the virus. While we know that the chances of someone under 30 being killed by Covid are very slim, we know too that news judgments have always favored the exceptional and horrific over the routine and unremarkable.

They're countless. States reporters shamed have done the best, and the U.S. is average among its peers.

Perhaps we can even forgive them the rapidly shifting headlines—each one shouting with absolute certitude—about the basic facts of the virus and its context: its lethality and transmissibility, the merits of mask-wearing, or the effectiveness of this or that therapy. The science is evolving, and so too is the reporting.

But there are larger representations of this massive and complex story that we should mark as simply unforgivable.

First, the notion, implicit or at times explicit, in so much of the reporting, that the U.S. handling of the pandemic has been a globally unique failure. This is quickly ascribed to the ignorance and malevolence of the Clorox-injecting, quack-cure-peddling bozo in the White House.

The death toll in the U.S. stands at around 500 per million people. That is significantly higher than in Germany or Japan, for example, but still some way below the U.K., Italy, Spain and several other European countries. Among the Group of Seven nations, America is right in the middle.

That's nothing to celebrate, and there's plenty of legitimate criticism to be made of the Trump administration's performance. And the number is still rising, it's true. But a fair assessment would note the broad similarity in death rates among most large economies and a divergence from the numbers in some of the others, rather than suggesting this is a uniquely American phenomenon.

Even less forgivable is the naked, politically motivated selective use and manipulation of data to damage Republicans and favor Democrats. Typical of this is the steady stream of stories telling us what a great job New York and other (Democrat-controlled) Northeastern states have been doing in managing the spread of the virus, in contrast with the performance of other (Republican-led) states.

This is, literally, the opposite of the reality. You probably don't need reminding that New York continues to enjoy the dubious record of one of the highest death rates of any region in the entire world.

Far from "flattening the curve," New York, again, did precisely the opposite. It suffered a barely fathomable surge in deaths that overwhelmed much of the state's medical capacity.

A related fiction is the suggestion that New York's economy is now bouncing back as its cases and deaths, mercifully, continue to dwindle toward zero. Yet by the unemployment rate and other measures, the economic recovery in New York is lagging states such as Florida and Texas, with commuters and tourists still staying away.

We should not fall into the media's trap of tendentiously asserting a tight link between politics and the virus. But insofar as policy has some effect, it is worth noting that of the 10 states (and the District of Columbia) with the highest death rates, eight have Democratic governments.

That points to an even less forgivable dishonesty in all of this—the apparently willful refusal to attempt a balanced assessment of the way governments have handled this unprecedented challenge.

The task all along with Covid wasn't to extinguish the virus completely. Perhaps that could be achieved by shutting down the entire economy. The real task was to balance the health and economic risks, knowing that the long-term health costs of economic ruin are likely to be at least as costly as those of the virus itself.

As we stand, the states that have come closest to achieving this balance are the ones that continue to be denounced in the media: Florida and Texas. Their death rates are below those of similarly populous coastal states, and while deaths continue to rise, it seems that the virus has peaked for now. Florida and Texas have also been among the most successful in keeping their economies from collapsing. As of late July the share of the workforce claiming unemployment benefits was less than 8% in Florida and less than 11% in Texas, well below New York and most of the Northeast. If the right measure of success is minimizing deaths while maximizing growth, Florida and Texas are succeeding on both fronts.

There are many reasons for differing rates of infection, death and economic performance, and it would be unwise at this stage to say anything about outcomes with absolute certainty.

But that is perhaps the greatest dishonesty of all: the media's self-serving insistence that their narrow, partisan narrative of this complex and evolving phenomenon is the revealed and unchallengeable truth.

How the Bidens Dodged The Payroll Tax

By Chris Jacobs

Joe Biden responded to President Trump's partial suspension of payroll-tax collections with a statement calling it the "first shot in a new, reckless war on Social Security." He continued: "Our seniors and millions of Americans with disabilities are under enough stress without Trump putting their hard-earned Social Security benefits in doubt."

Mr. Biden's objections might be more persuasive had he and his wife, Jill, not gone out of their way to avoid funding seniors' entitlement benefits. According to their tax returns, in 2017 and 2018 the Bidens and his wife Jill avoided payroll taxes on nearly $13.3 million in income from book royalties and speaking fees. They did so by classifying the income as S-corporation profits rather than taxable wages.

The Bidens did pay themselves "salaries" from their corporations—CelticCapri Corp. and Giacoppa Corp.—of nearly $750,000 between them over two years, and they paid full taxes on that income. But they circumvented the payroll tax on the nearly 95% of their income that remained. A tax expert interviewed by the Journal in 2019 called the Bidens' scheme "pretty aggressive"; another told the paper it served solely to avoid the payroll taxes.

Of the taxes the Bidens avoided, 2.9% of their income, around $385,000, would have funded Medicare. The other 0.9%, nearly $120,000, was part of ObamaCare and fund that law.

According to the Urban Institute, a couple featuring one high earner and one average earner, retiring this year, will have paid a total of $209,000 in Medicare taxes during their working lives. The Bidens avoided paying nearly twice that much in Medicare taxes during two years. The maximum payroll tax affected by Mr. Trump's suspension is $1,984—less than 1/250th of the amount the Bidens avoided in 2017-18.

They used an S-corp to avoid paying more than $500,000 in levies for Medicare and ObamaCare.

The Bidens didn't avoid any Social Security tax, which applied only to the first $127,200 of income in 2017 and $128,400 in 2018. But they would under Mr. Biden's tax plan, which would impose the 12.4% Social Security tax on income over $400,000; the same loophole he used in 2017-18 would shield him from his own tax. And how can Mr. Biden claim to protect Medicare and ObamaCare when he avoided more than $500,000 in taxes that fund the two programs?

The media have largely ignored the Bidens' accounting legerdemain, fixating on Mr. Trump's tax returns instead. But at least the president isn't looking to raise taxes on everyone else.

Mr. Jacobs is founder and CEO of Juniper Research Group and author of "The Case Against Single Payer."

Get Ready For the Biden Stock Boom

By Ed Finn

If Joe Biden is elected president, expect turbulence in the stock market. Between now and Jan. 20, when Mr. Biden would move into the White House, stocks could easily drop 10%.

Over a four-year Biden term, however, there is reason to believe that the total return on stocks, including reinvested dividends, will average about 10% a year, as they have for nearly a century. It's even possible that U.S. investors will enjoy annual stock returns of 15% or better during a Biden administration.

The main threats Mr. Biden poses to the stock market are increased regulation and higher taxation. More regulation will mean lower profits, less economic growth and lower stock prices. A vote for Mr. Biden is in part a vote to accept those drawbacks in exchange for less pollution, more workplace safety rules and more worker rights.

Expect some turbulence, but 15% annual returns are possible even with the threat of higher taxes.

The more serious threat to the stock market is increased taxes. Mr. Biden's plan calls for boosting taxes on corporate profits to 28% from 21%. That would put a dent of about $130 billion in corporate profits each year, according to the Tax Foundation. The resulting market drop would probably come in November, if Mr. Biden wins.

Another Biden tax proposal that would trigger selling is a boost in the capital-gains tax to 39.6% from the current 20% on income of more than $1 million a year. (Plus the investment-tax surcharge of 3.8%.) If Mr. Biden wins, this proposal would likely set off a wave of selling in November and December. Hardest hit would be stocks that have posted big gains in recent years.

The strategy for many wealthy people holding stocks with hefty increases will be to sell this year and pay 23.8% tax on the gains instead of selling next year (or beyond) and risk paying Uncle Sam 43.4%. Will investors who sell this year immediately buy back into the stock market or sit on the sidelines in cash? The answer will help determine how far stocks fall between now and a Biden inauguration.

Stock-market reaction to Mr. Biden's plans has been muted so far. That's partly because the Democrats need control of the Senate to pass his proposals, and polls show the battle for the upper chamber is still very much in question. Astute investors are watching the Senate races carefully.

Yet if a President Biden can control the federal budget deficit, if he can forge better relationships with America's trading partners, if he can reverse some of President Trump's anti-immigration policies, if he can bring a less combative atmosphere to Washington and the nation, there is no reason to think that during his term average annual stock returns, including dividends, can't be in the 10% range, as they have for the past 95 years.

Given Mr. Biden's ambitious plans to use increased tax revenue to fund more spending on green energy, health care and infrastructure, it's conceivable he could spur the U.S. economy enough to push annual stock returns to 15%. Returns averaged 17.5% a year under President Bill Clinton and 16.3% a year under President Barack Obama, according to Sam Stovall, chief investment strategist at the research firm CFRA. Compare this with 14.6% a year under Presidents Ronald Reagan and George H.W. Bush. George W. Bush, who was plagued by the crash of 2008 a few months before he left office, clocked in with a negative 4.5% a year. From the inauguration of Donald Trump through Aug. 7, stock returns have averaged about 13.7% a year.

Mr. Biden would be helped by the fact that support for the American stock market remains strong. Despite the economic effects of the nation's health crisis, many U.S. companies are in remarkably good shape, especially when it comes to technological prowess and global competitiveness. There is plenty of capital available to start new businesses and expand existing ones. The nation will get back to full employment once Covid-19 passes, and the current strength of the stock market reflects investors' belief that the crisis will recede next year.

Mr. Finn, a consultant to media companies, was editor and president of Barron's, 1998-2017.

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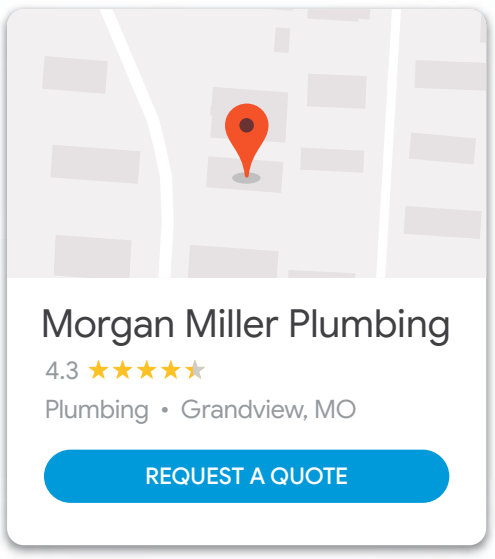

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TECHNOLOGY: ELECTRIC-TRUCK MAKER NIKOLA LANDS ORDER FOR 2,500 VEHICLES B4

BUSINESS & FINANCE

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Marriott Posts Worst Loss Ever

Rebound in China offers hope; 96% of North American properties are open

By Dave Sebastian

Marriott International Inc. posted its worst quarterly loss ever, though a budding travel recovery in China offered hope even as the pandemic continues to pound the lodging industry.

The world's largest hotel company swung to a second-quarter loss of $234 million, or 72 cents a share, from a year-earlier profit of $232 million, or 69 cents a share, as travel remained depressed during the usually lucrative summer season.

Chief Executive Arne Sorenson called the latest period "the worst quarter we have ever seen by far."

Marriott's shares rose 3.6% on Monday as investors apparently focused on bright spots, including signs of life in Chinese travel and the prospect that business can only get better.

Marriott said that for the three months ended June 30 it had an adjusted loss of 64 cents a share, wider than the 41 cents a share analysts polled by FactSet predicted. Impairment charges and bad-debt expense due to Covid-19 hurt reported and adjusted results by $61 million and $54 million, respectively, after taxes. the company said.

The hotel industry is suffering through its worst period in modern times, as the pandemic has led to worldwide cutbacks in business travel and cancellations of conference events. While leisure travel during the summer has shown some pickup in the U.S., hotel executives have said it could be two or more years until business travel returns to pre-Covid-19 levels.

Mr. Sorenson said Marriott's occupancy in the region that encompasses mainland China, Hong Kong, Macau and Taiwan reached 60% in the latest quarter, compared with 70% at the same time last year.

"The recovery of travel in Greater China demonstrates the resiliency of demand once there is a sense that the virus is better under control and restrictions can be safely lifted," Mr. Sorenson said on a conference call.

China, where the coronavirus was first detected, managed to bring down infection rates as outbreaks spread to the rest of the world, and the country has rebounded sooner than others.

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Kodak's Stock Hit By Delay In Loan

By Rachael Levy

Eastman **Kodak** Co. shares lost more than a quarter of their value Monday after news that a planned $765 million loan to the company was put on hold as the deal has come under congressional and regulatory scrutiny.

The U.S. International Development Finance Corp. announced plans last month to lend Kodak the funds to produce drug ingredients at its factories, marking a new area of business for the company. But in a tweet late Friday, the agency said that "recent allegations of wrongdoing raise serious concerns. We will not proceed any further unless these allegations are cleared."

A Kodak spokeswoman said Monday that it "appreciates and supports" the decision by the agency to await clarification before moving forward with the process. The company said on Friday it would launch an internal review.

Monday, shares of Kodak fell 28% to $10.73, after losing as much as 43% earlier in the session. The stock ended 2019 at $4.65, and was trading below $3 for much of the year before hitting a high this year of $60 following the initial news of the loan.

The Securities and Exchange Commission is investigating how Kodak controlled disclosure of the loan, word of which began to emerge on July 27, causing Kodak's stock price to rise 25% that day.

The SEC is also expected to examine the stock options granted to executives on July 27. The option grants instantly became profitable, at least on paper, after Kodak's loan became public knowledge.

Several Democrat-led congressional committees, meanwhile, have raised concerns about the "lack of pharmaceutical experience" at Kodak, which historically has been a photography company, and about the stock-option grants made to executives and board members before the announcement.

On Monday, White House spokeswoman Kayleigh McEnany said the administration "will not proceed any further [with the Kodak loan] unless these allegations are cleared" and that President Trump takes the allegations seriously.

Peter Navarro, President Trump's trade adviser who was involved in the plans, has recently distanced himself from the company. "VERY disappointed last week's great deal with Kodak tarnished by allegations. Absolutely RIGHT move by DFC!" Mr. Navarro said in a tweet on Friday evening. Mr. Navarro told The Wall Street Journal on Sunday his "tweets are crystal clear."

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IAC Buys 12% Stake In MGM Resorts

By Colin Kellaher

IAC/InterActiveCorp., flush with cash from the recent spinoff of online dating site Match.com, on Monday said it has spent just over $1 billion to build a 12% stake in **MGM Resorts International**, and that it plans to work with the casino operator to expand its online-gambling business.

The internet holding company run by billionaire Barry Diller said it plans to be a minority investor and a long-term strategic partner to MGM, adding that it would "welcome the opportunity to contribute to MGM's success in any way that MGM's board would look favorably on our involvement."

MGM said it welcomed the investment, and that it plans to offer IAC representation on its board.

IAC said its interest in MGM was initially piqued by the company's online gambling operations, which currently account for a tiny portion of its revenue.

"IAC's foundational concept of seeking opportunities to build interactive businesses is our base rationale," Mr. Diller said. "There is a digital first opportunity within MGM Resorts' already impressive offline businesses, and with our experience we hope we can strongly contribute to the growth of online gaming."

MGM, like other casino operators, has been suffering from the continuing financial toll that pandemic-related shutdowns and curtailed global travel have taken on the gambling industry.

IAC said it believes MGM has enough cash and access to capital to make it to the other side of the pandemic competi-

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Investors Pour Record Billions Into Biotech IPOs Amid Vaccine Chase

By Corrie Driebusch

So far this year, U.S.-listed biotech companies have raised roughly $9.4 billion in initial public offerings, already beating the $6.5 billion raised in all of 2018, the biggest year on record, according to Dealogic data going back to 1995.

This year's biotech issues have jumped an average of 34% on their first day of trading, the biggest average first-day pop for the sector since the tech boom in 2000.

The recent surge in biotech stocks extends beyond IPOs, as investors chase companies working on potential vaccines to combat Covid-19. They also anticipate the industry may benefit from more investment by governments in drug discovery and development.

Still, there are reasons to be skeptical. Biotech stocks in general can tend to be volatile, depending on the success or failure of companies' key drugs. Some longtime biotech investors are wary of the run-up and warn there are risks to chasing companies at early stages of development.

The Nasdaq Biotechnology Index is up 12% so far this year, compared with the S&P 500's 4% rise. In June, as the coronavirus pandemic swirled, the exchange-traded fund issuer ETFMG launched a product that focuses specifically on companies engaged in the testing and treatments of infectious diseases. The fund, the Treatments, Testing and Advancements ETF, trades under the ticker GERM.

Public companies are already taking advantage of the flood of money into the biotech sector by issuing more stock at a record pace. So far this year, biotech companies have raised more than $32 billion in follow-on offerings, already the most ever in a year, according to Dealogic.

Many investors who have spent years analyzing and buying shares of biotech companies say the market's enthusiasm for health-care companies might be overdone, particularly for companies that appear to be rising on bets that testing for Covid-19 vaccines will be successful.

One company touting a vaccine candidate is **Moderna** Inc., which has seen its market

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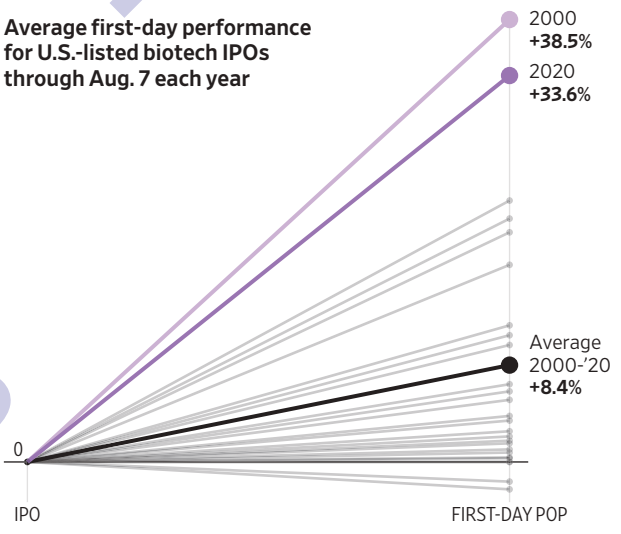
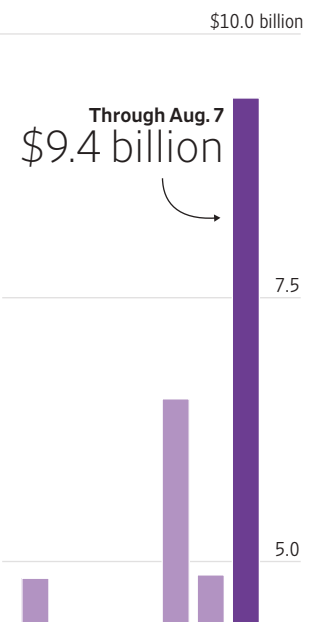
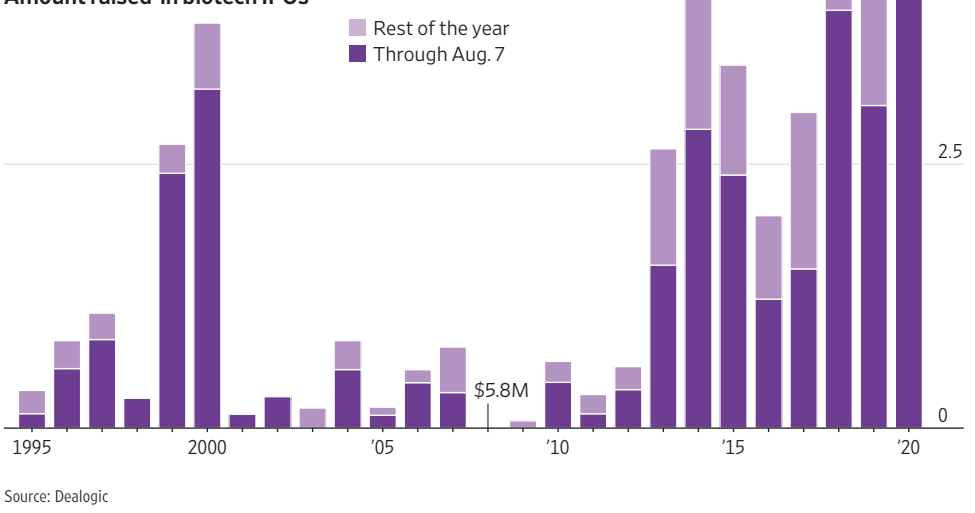
HENRY FORD HEALTH SYSTEM/AGENCE FRANCE-PRESSE/GETTY IMAGES

Moderna's candidate for a Covid-19 vaccine is given to a trial volunteer last week in Detroit.

Biotechnology companies have surpassed all prior annual records in IPO fundraising, as investors bet big on new drug discovery and developments.







Source: Dealogic

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Shares of home-building companies rally, driven by low mortgage rates. **B9**

Covid-19 Elevates Role of Chief Medical Officer

By Patrick Thomas

Tyson Foods Inc. and **Royal Caribbean Cruises** Ltd. may not appear to have much in common, but both have added chief medical officers to their executive teams recently.

While the food processor and cruise-ship company operate in vastly different industries, both rely on thousands of lower-wage workers to do their jobs in confined quarters. That work environment has led to coronavirus outbreaks this year onboard ships and in plants, causing widespread business disruption and sickening some workers. Tyson and Royal Caribbean said they made the appointments because they need expert medical advice about how to keep employees and consumers safe.

Most companies don't have a chief medical officer, but more are exploring their options as they seek health expertise. Traditionally, companies with the officers tended to be health-care or pharmaceutical companies or big hospital systems, where medical chiefs manage teams of doctors and researchers and help with product development. **Aslan Pharmaceuticals** Ltd. and **Selecta Biosciences** Inc., for instance, named new chief medical officers this month.

The pandemic is broadening the scope of sectors in need of medical leaders and expanding the duties of chief medical officers at companies that had one before this year, said Andrew Diamond, the chief medical officer of One Medical, a company that provides primary medical care in the workplace to companies including Alphabet Inc.'s Google.

"The more you actually have to be responsible for caring for people, the more likely you need a CMO," Dr. Diamond said. "In the case of a cruise line, these ships all have doctors on the ship. It makes a good bit of sense."

Royal Caribbean recently

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MICHAEL CONROY/ASSOCIATED PRESS

Tyson Foods said it tested about one-third of its U.S. workers and that the overall infection rate is below 1%. One of its plants in Indiana in May.

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BUSINESS & FINANCE

MICHAEL NOBLE JR. FOR THE WALL STREET JOURNAL

Occupancy plunged in the quarter, but the chain said 91% of its properties world-wide have reopened. The Marriott Marquis in New York.

Marriott Posts Its Worst Loss

Continued from page B1

China's consumer economy has become a vital refuge for many U.S. companies, helping them offset the damage from tumbling sales back home.

But the broader Asia-Pacific region is recovering at a slower pace, as countries are in various phases of reopening and some borders remain closed, Mr. Sorenson said.

He said 91% of Marriott's more than 7,400 world-wide properties have reopened, with all hotels in mainland China, Hong Kong, Macau and Taiwan having been in operation since early May.

In North America, 96% of Marriott hotels are open, he said, adding that the company expects demand to continue picking up through Labor Day.

Business and group travel is still weak but improving, with demand potentially being driven by smaller companies and trips that don't involve flying, Mr. Sorenson said.

"We too often see [big companies] making decisions about keeping offices closed for as much as the next year—frustrating to us because, in a sense, that's just sort of withdrawing from the economy," Mr. Sorenson said.

Comparable systemwide revenue per available room, a closely watched industry metric known as RevPAR, fell 84% for the second quarter.

Occupancy fell about 57 percentage points. Those figures have improved from April lows, when RevPAR was down as much as 90% and occupancy bottomed at 11% for the week of April 11, Mr. Sorenson said.

The Bethesda, Md., company said revenue for the quarter fell 72% from a year earlier to $1.46 billion. Analysts were looking for $1.68 billion.

Marriott said it had liquidity of about $4.4 billion as of June 30, including about $2.3 billion in cash and cash equivalents.

The company said it continues to expect the pandemic to hurt its results.

Loan Delay Hits Kodak Shares

Continued from page B1

A spokeswoman for the DFC had no additional comment.

The Trump administration announced about two weeks ago its intent to lend $765 million to the onetime photo leader to produce drug ingredients. The planned loan, the first of its kind under the Defense Production Act, sought to help Kodak produce ingredients for generic drugs, in turn helping the U.S. reduce reliance on foreign companies. The news sent Kodak's stock skyrocketing.

The Journal recently reported Kodak had shared information about an agreement between the company and the Trump administration with media outlets before the public announcement.

Some media companies then published that information before deleting it following a request from the company.

Last week, Mr. Navarro declined to answer a reporter's question about Kodak on a conference call announcing a separate executive order to boost domestic production of medical supplies and medicine.

At the time the loan was disclosed, Mr. Trump said he was "proud to announce one of the most important deals in the history of U.S. pharmaceutical industries. My administration has reached a historic agreement with a great American company."

In response to a question about the SEC inquiry at a news briefing Aug. 4, the president said he "wasn't involved in the deal."

IAC Buys 12% Stake In MGM

Continued from page B1

tively stronger, adding that MGM's low share price and future prospects presented a once-in-a-decade opportunity.

"IAC's expertise in growing and expanding brands online is a natural fit for our focus on enhancing the resort experience through curated and personalized offerings, as well as digital enhancements in sports betting and online gaming," said Bill Hornbuckle, who was named MGM's permanent chief executive at the end of July after serving as acting chief since March. "We welcome their collaboration and are excited at the possibilities it will bring."

IAC, which operates Vimeo and Care.com and holds a majority stake in Angie's List parent ANGI Homeservices, earlier this year completed the separation of Match Group Inc., leaving IAC with $3.9 billion in cash on hand and no debt.

IAC spent roughly $1.02 billion buying 59 million MGM shares, including some 34.4 million shares since July 29. according to a filing with the Securities and Exchange Commission.

Shares of MGM rose 14% to $21.65 Monday, while IAC shares fell 1.3% to $131.27.

ETHAN MILLER/GETTY IMAGES

MGM and other casino operators are suffering from the impact of curtailed global travel.

Companies Add Health Experts

Continued from page B1

named Calvin Johnson, a former chief medical officer at the prison health-care system Corizon Health, as its new chief medical officer. In addition to overseeing worker health for the cruise line, the company said Dr. Johnson is also tasked with collaborating on the new Healthy Sail Panel, a group meant to establish new sailing protocols for the industry during the pandemic. The other Healthy Sail member company is **Norwegian Cruise Line Holdings** Ltd., which has had a chief medical officer since 2015.

Cruise operators are working to win back consumers' confidence after widespread Covid-19 outbreaks on several ships in the early months of the pandemic. Cruise-ship workers suffered from more confirmed cases of Covid-19 than passengers, according to federal data.

Other nonhealth-care employers—from tech companies to school systems—that aren't forming new chief medical officer roles are still tapping outside companies like One Medical as they try to better manage workplace health, Dr. Diamond said. One Medical clients need help testing employees, providing clinical advice to workers who test positive for the virus, and offering guidelines on the best ways to return people to an office setting.

Since Covid-19's arrival in the U.S., the company has seen a wave of new demand, Dr. Diamond said. One Medical has been working with big employers including Instacart Inc. and **Airbnb** Inc. and has started working with smaller companies, including luxury-hotel operator **Montage International** and life-sciences company **10x Genomics**.

"All these other companies are trying to figure out, how do I bring people back to work safely," he said.

Some organizations that have added chief medical officers did so when they came under pressure from a health crisis. For instance, the National Football League created a chief medical officer role in 2017 after the sport came under fire for player concussions that can lead to other serious health problems.

Tyson Foods created its new chief medical officer role as it ramps up employee monitoring for the virus. The company said it expects to hire nearly 200 nurses and support staff to help with on-site testing at its plants in places like Dakota City, Neb., Waterloo, Iowa, and Wilkesboro, N.C.

"This position will help implement our Covid monitoring strategy, which includes ongoing, weekly testing of workers without symptoms, as well as testing of those who have symptoms or have had close contact with someone with symptoms or has tested positive," said Tom Brower, senior vice president of health and safety at Tyson.

Cruise operators are working to win back consumers' confidence.

Thousands of employees who work in meat-processing plants have been infected over the past five months, and nearly 100 of them have died, according to estimates from the Centers for Disease Control and Prevention. Tyson said it has tested about one-third of its U.S. workforce and that the overall infection rate currently is below 1%.

For some companies that have had chief medical officers, the work is taking on new, different dimensions. Before the pandemic, the chief medical officer of cloud-computing giant **Salesforce.com** Inc. was focused on products that Salesforce sold to clients, such as software that organizes drug information and patient status that health companies use. Today, Dr. Ashwini Zenooz says her role is more inward facing. She is trying to help thousands of employees address mental-health issues that can arise from remote working arrangements, while also working with Salesforce's real-estate division on the logistics of returning to the office.

"Every company is thinking of the health and wellness of their employees," she said. "The role of a chief medical officer is becoming a lot more prevalent and a lot more powerful in the business world."

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CORPORATE WATCH

MICHAEL SHORT/BLOOMBERG NEWS

Foot Locker said comparable-store sales grew 18% in the quarter, driven by pent-up demand and a boost from the federal stimulus.

LIBERTY MEDIA

Loss Is Reported As Revenue Declines

Liberty Media Corp. swung to a second-quarter loss on falling revenue as the pandemic hampered operations for its sports subsidiaries.

The Englewood, Colo., company, which controls radio broadcasters and sports organizations, recorded a loss of $326 million, compared with a profit of $116 million a year earlier. Revenue was $1.91 billion, compared with revenue of $2.81 billion in the year-ago quarter.

The company's holdings include satellite radio operator SiriusXM, motorsports brand Formula One, and the Atlanta Braves. Several businesses were hurt by the pandemic, Liberty said, as public-health measures delayed the start of the Formula One season and barred fans from attending baseball games during the abbreviated season.

Liberty said its Braves Holdings subsidiary is expected to be out of compliance with some debt covenants as of June 30. It is holding credit discussions to obtain waivers and covenant modifications, the company said.

—Matt Grossman

DUKE ENERGY

Pipeline Exit Hits Financial Results

Duke Energy Corp. reported a second-quarter loss after the utility and a partner stopped trying to build the Atlantic Coast Pipeline, and Duke reported lower volumes due to the pandemic.

Duke said it lost $817 million, or $1.13 a share, down from a profit of $820 million, or $1.12 a share, a year earlier.

Last month, Duke and **Dominion Energy** Inc. said they would abandon the proposed $8 billion Atlantic Coast Pipeline. Dominion said then it would sell the rest of its gas transmission and storage unit to **Berkshire Hathaway** Inc. for $9.7 billion including debt.

Duke said expenses related to its stake in the pipeline totaled $1.63 billion for the quarter. Excluding those costs, the company reported an adjusted profit of $1.08 a share, 5 cents more than forecasts from analysts, according to FactSet.

Operating revenue fell to $5.42 billion, lower than the consensus estimate of $5.85 billion, from $5.87 billion year over year. Commercial and industrial customers used less power in the quarter, Duke said, weighing on volumes.

—Micah Maidenberg

BARRICK GOLD

Quarterly Profit and Revenue Increase

Barrick Gold Corp. reported higher profit and revenue for the second quarter as it made changes to its operations at mines because of the pandemic, and said it stayed within its 2020 production guidance range.

The Toronto mining company posted profit of $357 million, or 20 cents a share, compared with $194 million, or 11 cents a share, a year earlier. Adjusted earnings were 23 cents a share, compared with the 18 cents a share analysts polled by FactSet expected.

The company said it produced 1.15 million troy ounces of gold, down from 1.35 million in the prior year, as Barrick had previously expected. Average realized gold price was $1,725 per ounce.

Revenue was $3.06 billion, up from $2.06 billion a year earlier. Analysts were looking for $2.96 billion. Barrick raised its quarterly dividend 14% to 8 cents a share.

—Dave Sebastian

FOOT LOCKER

Gain Is Forecast For Second Quarter

Foot Locker Inc. said it expects to return to a profit when it releases results for its fiscal second quarter, which ended Aug. 1, following a first-quarter loss as the coronavirus pandemic hit the company's sales.

The New York City company said comparable-store sales grew 18% in the second quarter, driven by pent-up demand and a boost from the federal stimulus.

Foot Locker expects earnings per share of 38 cents to 42 cents, compared with 55 cents a year earlier. The latest results include $18 million of costs the company incurred from social unrest during the quarter, Foot Locker said.

Adjusted earnings per share are expected to be 66 cents to 70 cents, according to the company. Analysts were expecting an adjusted loss of 60 cents a share, according to FactSet.

Foot Locker declined to provide guidance for the full fiscal year, having withdrawn previous guidance in March. It cited uncertainty from the impact of the pandemic on team sports and back-to-school shopping.

—Matt Grossman

SALESFORCE.COM

CVS to Team on Workplace Programs

Salesforce.com Inc. and **CVS Health** Corp. said they will collaborate on services to help workplaces and campuses return to in-person operations following coronavirus-related closures.

The programs will combine CVS-led Covid-19 testing with Salesforce.com data-management tools to help institutions implement health protocols. Under the partnership, management tools from Salesforce.com's Work.com website will be integrated with CVS's Covid-19 testing protocols, called Return Ready.

The program will manage Covid-19 testing for people associated with customer institutions, and enable reporting and contact-tracing for people who test positive for the viral disease.

—Matt Grossman

MGM RESORTS

Dispute With Unions Over Safety Settled

MGM Resorts International and Nevada hospitality workers agreed to end a legal dispute over Covid-19 safety on the Las Vegas Strip, the groups said Monday.

Culinary Union Local 226 and Bartenders Union Local 165, through their joint bargaining agency, filed a lawsuit against MGM Resorts in June claiming the company failed to protect casino workers in the pandemic.

"We have resolved the lawsuit and the underlying grievances, and we have worked together to get first-in-the nation legislation to protect workers in the hospitality industry," the company and the unions said in a joint written statement.

—Katherine Sayre

HERTZ GLOBAL

Shares Sold After Bankruptcy Filing

Hertz Global Holdings Inc. raised $29 million selling its likely worthless stock before regulators dissuaded the bankrupt rental-car company from selling more.

The Florida-based company, which filed for chapter 11 protection in May, on Monday disclosed the results of an effort to sell as much as $500 million in shares despite the severe financial strains that drove the company into bankruptcy.

Hertz launched the stock sale after its bankruptcy filing, hoping to capitalize on a speculative frenzy fueled by risk-hungry day traders that gave the company a golden opportunity to raise capital it needed to cover its bills.

Hertz suspended the stock sale after the Securities and Exchange Commission raised questions, but not before issuing 13.9 million shares, netting $29 million, according to a securities filing by the company on Monday.

—Becky Yerak

BUSINESS NEWS

Military Airwaves Set for 5G Use

By Drew FitzGerald

The Trump administration outlined a plan Monday to commercialize a swath of military radio frequencies for use in next-generation 5G networks, yielding to cellphone carriers that have sought the spectrum for their own use.

The White House plan would arrange for the Federal Communications Commission to auction 100 megahertz of prized mid-band spectrum starting in December 2021, allowing telecom companies such as **AT&T** Inc. and **Verizon Communications** Inc. to bid on licenses for them. The industry has long sought the rights for more mid-band spectrum, which is considered ideal for new fifth-generation wireless signals because of its extensive bandwidth and reach.

"Under this administration's approach, the American private sector will continue to build the next 5G networks," White House technology adviser Michael Kratsios said during a telephone briefing with reporters.

The framework, if adopted, would strike a rare compromise among the Pentagon, FCC and other U.S. agencies that have sometimes squabbled over federal 5G policies.

Department of Defense officials have been leery of past efforts to commercialize their reserved spectrum. The mid-band spectrum at issue is used for naval radar systems, missile control and air traffic, among other uses.

Recent technological advances have made it possible for telecom companies to send data over frequencies reserved for the military when it is not otherwise in use. A senior administration official said an ongoing auction of nearby spectrum called the Citizens Broadband Radio Service showed that the frequencies, which are widely used outside the U.S., are in strong demand.

FCC Chairman Ajit Pai commended the decision in a statement as "a key milestone in securing United States leadership in 5G."

"The FCC looks forward to moving quickly to adopt service rules for the 3.45 GHz band and then hold an auction to bring this prime mid-band spectrum to market," he said, referring to the spectrum band.

Some Groceries Are Still Hard to Find

At the beginning of the pandemic, it was nearly impossible to find toilet paper, cleaning supplies or canned soup. Five months later, supplies of those goods are recovering, according to data from market-research firm IRI.

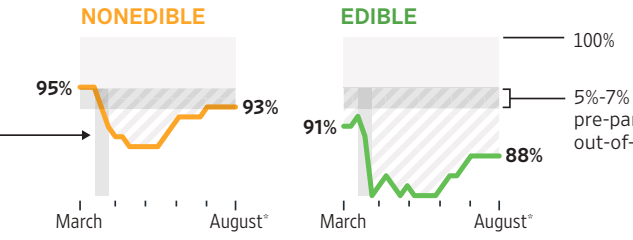
—Annie Gasparro and Stephanie Stamm

Still Spare

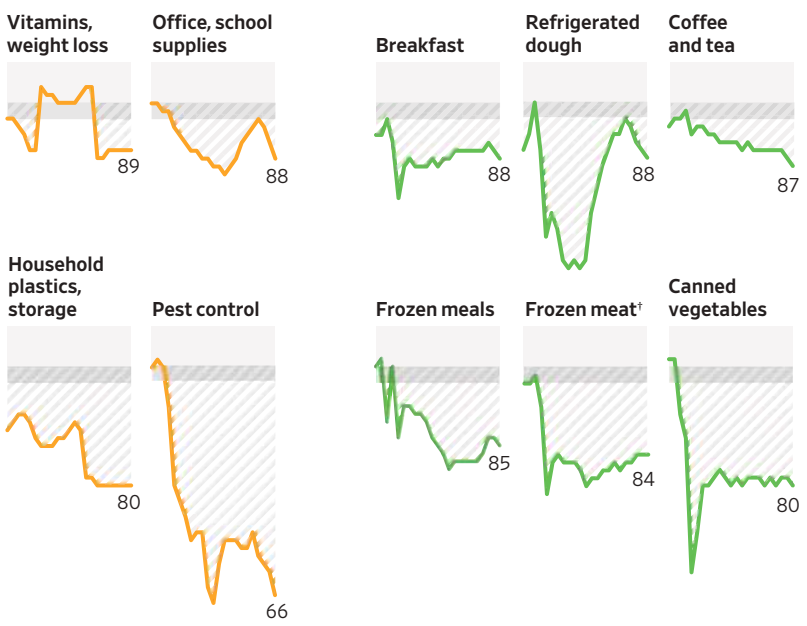
As Covid-19 cases continue to rise in certain states, grocers are reporting a new increase in staples purchases that could lead to scarcity. The even-stronger demand for items such as baking ingredients and paper towels has made it tough for manufacturers to produce the items fast enough to keep shelves full.

Weekly stock availability by department and product

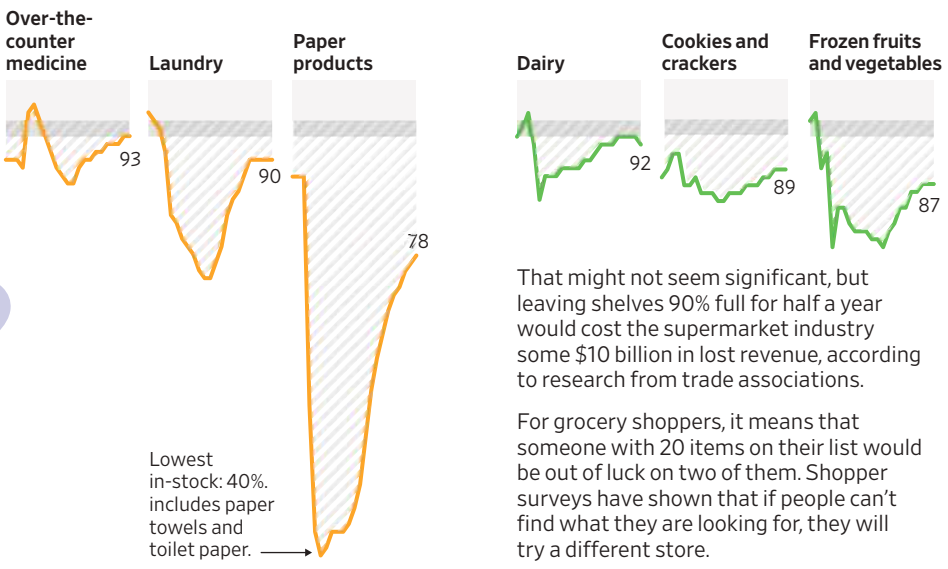
Most dramatic drops in products. Weeks ended March 22 and March 29.



Other products remain hard to find as the industry struggles to keep up with demand.



Manufacturers of food, beverages, paper products and cleaning supplies ramped up production in the spring to help grocers get shelves back in shape. Now, roughly 10% of items remain out of stock, compared with a normal range of 5% to 7% before the pandemic.



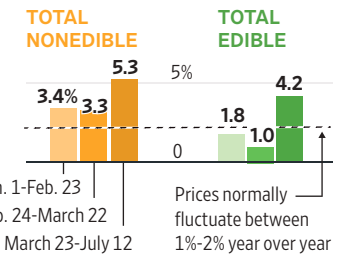
That might not seem significant, but leaving shelves 90% full for half a year would cost the supermarket industry some $10 billion in lost revenue, according to research from trade associations.

For grocery shoppers, it means that someone with 20 items on their list would be out of luck on two of them. Shopper surveys have shown that if people can't find what they are looking for, they will try a different store.

Sticker Shock

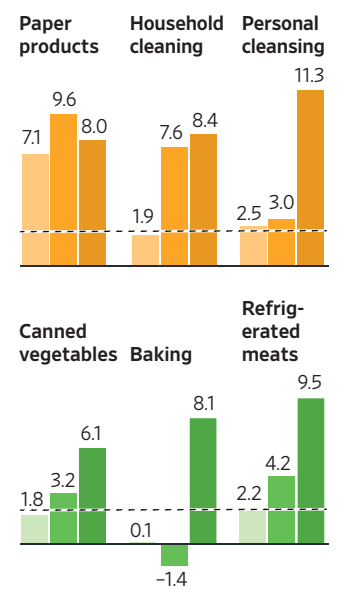
As for store prices, they remain about 5% higher on average than a year ago, IRI says.

Consumer goods prices, change from a year earlier†



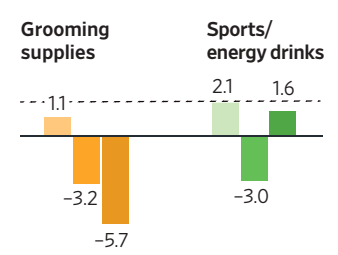
Notable increases

Prices for food and household goods surged during the hardest-hit months of the pandemic as manufacturers and retailers dramatically cut back on discounts.



Notable decreases

A few categories are offering more discounts than usual. Grooming-supply companies, for instance, are trying to boost sales because people have stopped prioritizing their appearance regularly as they aren't going to work or many social events.



*Week ended Aug. 2 are estimates.
†Includes poultry and seafood
Source: IRI

Royal Caribbean Revenue Fell 94% in Quarter, Dragging It to Loss

Royal Caribbean Group's revenue nearly dried up for the second quarter as it missed out on a usually lucrative summer travel season, sending it to a loss of more than $1.6 billion amid the Covid-19 pandemic.

The cruise operator, which has said it expects to post a loss for the entire year, on Monday posted quarterly revenue of $175.6 million, down 94% from the year-ago period, as it took no sailings. That beat the $47.4 million analysts polled by FactSet had expected.

Royal Caribbean and other cruise operators under the Cruise Lines International Association have extended their sailing pause in the U.S. to at least the end of October, a month past the expected expiration of the Centers for Disease Control and Prevention's no-sail order.

Royal Caribbean said it expects an average cash burn of about $250 million to $290 million a month during a prolonged sailing hiatus, and that it is finding ways to reduce its spending. The company said it had liquidity of about $4.1 billion in cash and cash equivalents as of June 30, and that it has about $11.3 billion in committed credit facilities to fund its ship deliveries planned through 2025.

ANDREW MATTHEWS/PA WIRE/ZUMA PRESS

"We continue to take substantial actions to bolster our financial position," finance chief Jason Liberty said. It expects interest expenses for the rest of the year to be between $505 million and $515 million.

The company said about 60% of 2021 bookings are new, and that about 48% of guests booked on canceled sailings have requested cash refunds as of June 30. Like other cruise lines, Royal Caribbean also offers future cruise credits at a premium as an alternative to cash refunds, a measure that helps it conserve cash. As of the end of the quarter, the company said it had $1.8 billion in customer deposits, of which about $300 million correspond to the fourth-quarter sailings.

For the second quarter, Royal Caribbean swung to a loss of $1.64 billion, or $7.83 a share, from a profit of $472.8 million, or $2.25 a share, in the comparable year-ago quarter. Adjusted losses were $6.13 a share, steeper than the $4.82 a share analysts had expected

—Dave Sebastian

PATRICK T. FALLON/BLOOMBERG NEWS

The company, known for towers that dispense cars, posted a 25% quarterly sales increase as the pandemic steers more people to online buying.

Used-Car Retailer Carvana Gains With Online Shopping

By Nora Naughton

Carvana Co., an online-only seller of used vehicles, is generating new interest from both car buyers and Wall Street as its business benefits from the burst in internet shopping.

Carvana's recent success comes at a critical moment for the eight-year-old company, which was founded with the mission of changing the way people buy cars but has yet to turn a profit and is fending off tougher competition in the online-retailing space.

The Tempe, Ariz., company last week posted a 25% increase in vehicles sold for the second quarter, a time when many dealerships were still closed because of the Covid-19 pandemic. Total revenue grew 13% to $1.12 billion for the April-to-June period.

"What we needed was an event that would generate the willingness to try something new," Chief Executive Ernie Garcia said. "That may be happening now faster than it ever has."

But the used-car retailer is still losing money as it invests heavily in its own operations in an effort to grow its U.S. market share, and analysts polled by FactSet don't expect it to be profitable on a net basis until 2023. Challenges related to reconditioning used vehicles for sale also have weighed on results. For the April-to-June quarter, the company reported a loss of $160 million.

Still, Carvana's latest results beat Wall Street's expectations, and the company's stock rose 28% the day after the quarterly report, closing at $222.99.

Shares have since retreated to $190.12, as of Monday's close, but remain double where they started the year.

Carvana, known for its tall, glass towers that dispense vehicles purchased by customers, was built with the intent of giving car buyers an alternative to going to a dealership. Shoppers can browse and purchase preowned models through the company's website, and then arrange for the purchase to be delivered by truck to their home or office.

Carvana promotes a seven-day return policy to ease concerns about buying a car sight unseen.

Used vehicles—unlike those sold new—aren't required to be sold through a franchise dealership network, allowing Cavana and rivals Vroom Inc. and Shift Technologies Inc. to operate without bricks-and-mortar storefronts.

Growing demand for used vehicles has helped lift business for Carvana and its rivals, especially with inventory still tight on the new-car lot because of virus-related factory constraints.

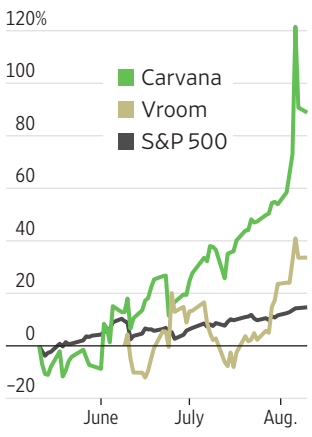
Carvana has steadily increased sales in the past three years and expanded into more than 260 markets in the U.S. The used-car retailer expects to sell up to 265,000 cars in 2020, a nearly 50% increase over 2019.

As more businesses moved online to capture the surge in shopping traffic, traditional dealerships also have scrambled to make the shift to internet retailing, building out their websites with more capabilities and investing in delivery personnel.

Dealership chain AutoNation Inc., for instance, has moved aggressively to shift its operations online, promoting a new store-to-door delivery service that allows customers to skip the showroom. It is starting to trim positions in the physical showroom, as a result.

Investors are betting on used-car startups to seize a shift to online car sales.

Three-month performance



Source: FactSet

A few years ago, Carvana and other used-car retailers like CarMax Inc. presented a wake-up call for traditional auto dealers, said Rhett Ricart, chairman of the National Automobile Dealers Association and a Ford dealer in Columbus, Ohio. But dealers have since adjusted and now have many of the same tools, he said.

"That's been accelerated by Covid-19," Mr. Ricart said. "Other entrants might have had it easy before, but now new-car dealers are going to be a very formidable adversary in the used-car market."

Investors, meanwhile, are increasingly placing their bets on the upstarts. Carvana's stock price has more than quadrupled since late March, when lockdowns began proliferating across the U.S.

Competitor Vroom went public in June in an effort to challenge Carvana and take advantage of investor enthusiasm for online-car retailing.

In the stock's first day of trading, Vroom's shares more than doubled and have remained elevated, closing at $64 a share Monday, nearly triple the $22 IPO price. Vroom's market value is $7.4 billion, compared with Carvana's nearly $33 billion market capitalization.

Shift Technologies, a San Francisco-based startup with a similar internet-only model, is looking at a public offering.

Carvana is working through its own growing pains, though.

Compared with more established used-car retailers, Carvana has to spend more on advertising and marketing to grow its brand recognition. It also is working to build out its network of so-called reconditioning centers—places where it cleans and fixes cars to get them ready for sale—to speed up its turnover of used-car stock.

On top of that, many of its existing centers were closed temporarily this spring as part of the lockdowns.

"The fact that Carvana is multiple years ahead of the competition on this front certainly helps," said Zack Fadem, an analyst for Wells Fargo & Co. But it is still building its operations, and that can take time, he added.

Carvana has set a goal of eventually selling more than two million vehicles annually through its online retailing network.

"If Carvana can achieve a certain level of scale, they can be very profitable," Mr. Fadem said.

Nikola Gets Order For 2,500 Electric Garbage Trucks

By John D. Stoll

Nikola Corp. said it secured an order for 2,500 electric garbage trucks from refuse giant **Republic Services** Inc., with the announcement coming less than a week after analysts complained about a lack of clarity on the business plan and order bank.

The electric-vehicle company has for several years touted robust interest in the electric and fuel-cell trucks it plans to mass produce and sell. Last week, Nikola published its first earnings report since going public in June, losing $86 million while pulling in essentially no revenue.

Analysts complained the company's timetable is confusing, with some wondering how much demand for its products and services there actually is.

"Is this what we get?" JPMorgan analyst Paul Coster asked executives last Wednesday on a conference call after executives walked through results. Mr. Coster wanted to know when Nikola would expand its business model.

Electric and fuel-cell vehicles have long captivated the public's imagination, but have had little success without government incentives. While Tesla Inc. is celebrated and the most valuable U.S. auto maker by market capitalization, its founder, Elon Musk, spent years battling skeptics.

In an interview, Nikola's founder, Trevor Milton, said the deal with Republic Services fulfills one of three milestones recently promised by the end of 2020. In addition to a major order, Nikola executives are committing to announce this year which auto maker will be its partner on production of the Badger passenger truck; and it aims to name a partner for a hydrogen filling station network it wants to build.

"If we didn't have anything to talk about we'd have a bad situation," Mr. Milton said. Last month, Nikola broke ground on a factory on the outskirts of Phoenix.

Founded in 2014, Nikola has drawn comparisons to Tesla. In June, when Nikola went public via a reverse merger, investors drove up its value amid enthusiasm about electric vehicles. Tesla's recent string of profits and success expanding production fueled that exuberance.

Nikola shares soared after the IPO, briefly surpassing the market value of Ford Motor Co. As of Friday's close, shares were trading only slightly above the IPO price and 60% lower than its June 9 high. Shares closed Monday at $44.81, up 22% from Friday's close, reflecting optimism surrounding the Republic Services deal.

Nikola has announced orders for 14,000 trucks, including a commitment to start selling its first units to Anheuser-Busch in 2021. Initially, Nikola aimed to start delivering those trucks this year. US Xpress Inc. an over-the-road shipper, placed a significant order with Nikola, helping fill out a backlog of orders estimated to be worth several billion dollars.

The U.S. subsidiary of Anheuser-Busch InBev SA placed an order two years ago for as many as 800 Nikola hydrogen-electric trucks. It plans to use them for long-haul deliveries from breweries to distributors.

Mr. Milton said Monday's announcement represented an important development for the trucking industry he hopes to disrupt. Traditional garbage trucks, he said, are "dirty, loud and pollute like crazy."

Republic Services President Jon Vander Ark said predetermined routes, constant stopping and starting, and the ability to park the trucks for charging overnight or to swap out batteries bolster the case for a shift to e-trucks.

While Republic Services' cost per truck is currently undisclosed, Mr. Milton committed to a price tag under $500,000 per unit—which is the going rate for electric garbage trucks currently sold by competitors, he said. Prices for new gasoline-powered garbage trucks fall in a range of nearly $200,000 to more than $300,000.

"We've done our homework, and we've talked to everybody," Mr. Vander Ark said. The trucks will come with higher upfront costs that could be driven down over time due to lower maintenance and usage costs. Republic Services said it could bump up its order to 5,000 units.

MASSIMO PINCA/REUTERS

Nikola's founder, Trevor Milton, said the deal fulfills a milestone.

Seattle Proves Fertile Ground for Software Startup Deals

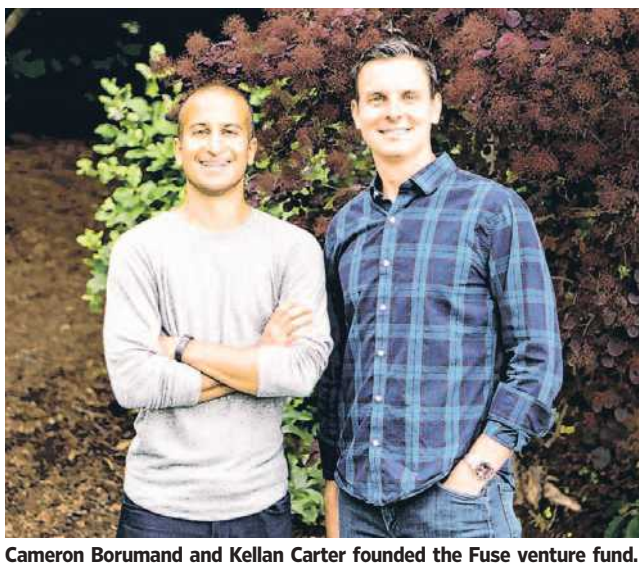
By Elaine Chen

Venture capitalists are increasingly targeting deals in Seattle, where they say a burgeoning startup ecosystem holds the potential to support more enterprise software innovation.

Deal activity in the Seattle region has grown in recent years. The number of venture investments in startups in the region rose to 433 in 2019, up 18% from 367 in 2015, according to PitchBook Data Inc.—the third-sharpest increase among major U.S. hubs for venture-capital investment, after Philadelphia and Denver. The combined value of deals in the Seattle region climbed to $3.7 billion from $2.1 billion over that period, the data provider said.

Local investors are set to pump more capital into the region. A former partner and a former principal at Ignition Partners, a Seattle-based venture firm, in July announced the launch of a new fund called **Fuse Venture Partners** to make seed and Series A investments in Seattle startups.

Fuse founding partners Kellan Carter and Cameron Borumand declined to comment on how much they have raised, but said they expect to invest roughly $100 million over the next three to four years. Investors in the fund include current and former executives at Pacific Northwest companies, including **Microsoft** Corp., **Amazon.com** Inc., **Nike** Inc. and **Starbucks** Corp., Fuse said.



FUSE VENTURE PARTNERS

Cameron Borumand and Kellan Carter founded the Fuse venture fund.

Despite being home to Amazon, with Microsoft in nearby Redmond, Wash., Seattle has lagged behind in venture-capital activity. Between 2015 and 2019, it vied with Washington, D.C., for fifth place in PitchBook's deal count, behind Silicon Valley, New York, Los Angeles and Boston.

"I'm kind of surprised that the startup ecosystem is just coming into its own. It's kind of a late bloomer," said Parker Barrile, a partner at **Norwest Venture Partners**, a Palo Alto, Calif.-based venture-capital firm. One reason could be that Microsoft and Amazon earlier on had consumed the local talent, Mr. Barrile said.

Another reason could be that angel investing didn't take off in Seattle as it did in Silicon Valley, said James Newell, managing director at Voyager Capital, a Seattle-based venture-capital firm that last year launched a fund targeting startups in the Pacific Northwest and western Canada.

But in recent years, more people brought to Seattle by Microsoft, Amazon and others have formed their own startups, which are in some cases now producing a new generation of entrepreneurs, said Tim Porter, a managing director at **Madrona Venture Group**, another Seattle firm.

Seattle startups founded by alumni of Microsoft or Amazon include digital freight broker Convoy Inc., sales-management software provider Outreach Corp. and identity-authentication software provider Auth0 Inc. They all raised funding at valuations over $1 billion in 2019.

One of Madrona's past investments was buuteeq Inc., a software provider for the hotel industry. Founded in 2009 by Forest Key, a Seattle-based entrepreneur who left Microsoft after working in its Seattle and Beijing offices, buuteeq was sold in 2014 to Priceline Group Inc., the travel-site operator now called Booking Holdings Inc.

Mr. Key said he had considered basing the startup in the Bay Area, but chose Seattle for its lower cost of living. He stayed there and now runs a new startup—backed by Madrona, among other venture firms—called **Voodle** Inc., which sells a short-video communications app for businesses.

Mr. Newell of Voyager said Microsoft and Amazon have also contributed to the ecosystem by letting startups use their cloud platforms in exchange for credits, hoping they will eventually sign up as customers.

The presence of local institutions such as University of Washington's computer-science program and the Allen Institute of Artificial Intelligence has also cultivated innovation, Mr. Porter of Madrona said.

Investors are taking notice. As well as local players, firms outside Seattle are increasingly active. The number of deals in the Seattle metropolitan area completed by non-Seattle investors increased by 40% from 2015 to 2019, according to PitchBook.

Mr. Barrile said his firm, Norwest, added six Seattle startups to its portfolio in the past four years. "If you really had to make a long-term bet on a region, any region, you'd bet on the region with the best talent," he said. "And that's what makes me so bullish on Seattle."

Seattle would remain a draw for venture investors if the altered working patterns caused by the coronavirus pandemic prove to be permanent and people continue working from home, Mr. Barrile said. Startup founders will still want to meet with employees in person, and Seattle is an attractive place to live given its climate, the quality of its schools and its tax system, he said.

And with engineers drawn in by Microsoft and Amazon, the region is positioned to develop software to serve the changing needs of companies during the pandemic, the founding partners of Fuse said.

"There's a massive behavioral shift that's happening right now for all enterprises, and software is going to be a key enabler of that," Mr. Carter said.

Lira's Fall Drives Concerns For Euro

By Caitlin Ostroff

The lira's sharp drop in recent days is fueling concerns of a fallout that could spread beyond Turkey's borders. Next up: the euro.

The lira has fallen almost 19% against the dollar this year, on pace for its steepest annual decline since 2018, when it lost more than one-quarter of its value. Against the euro, it has lost a fifth of its value this year.

Turkey's central bank has tried to prop up its currency by depleting most of its own foreign-exchange reserves and selling billions of borrowed dollars to buy lira. But efforts have faltered in recent weeks. The currency has dropped 6.6% against the dollar since July 24, prompting speculation that the central bank is running low on options.

The renewed pressure on the currency is raising alarms about Turkey's long-term ability to repay its foreign debtors, which include European banks. A weaker lira also makes imports more expensive and threatens to curb Turkey's appetite for goods from Europe when the pandemic has already eroded trade and output from the trading bloc. "If the situation continues to intensify in Turkey, that could have spillover effects on the euro," said Lee Hardman, a currency analyst at Japan's MUFG Bank.

CURRENCIES

Turkey isn't a member of the European Union, though it has a close trading relationship with the trading bloc. Last year, Turkey was its sixth-largest export market for merchandise.

European banks have reduced their exposure to Turkey since the country's 2018 currency crisis, as a weakening lira could leave Turkish companies and banks struggling to make interest payments or redeem their overseas debt. But Spanish and French banks continue to have the most loans outstanding to Turkey of all non-Turkish lenders, according to the Bank for International Settlements, far outpacing U.S. banks.

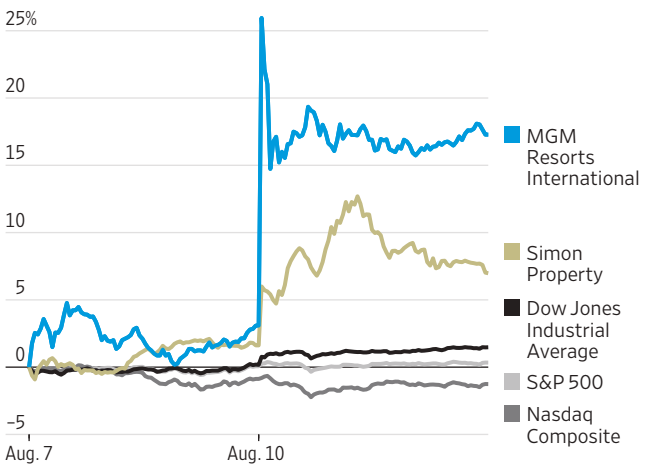
Turkey has fueled demand for imports this year by lowering interest rates and expanding access to cheap credit for households and companies. That is particularly problematic because it comes as the country is earning less dollars and euros because of waning tourism and a slump in exports. The funding gap between imports and exports has widened, increasing the current-account deficit and exacerbating the need for foreign currencies.

An embattled Turkish economy and reduced demand for European goods may pose a threat to the EU's recovery from the virus-induced recession, investors said. Speculation that the EU would rebound faster than the American economy, in part because it has curtailed fresh outbreaks more effectively than the U.S., pushed the euro to a two-year high against the dollar at the end of July.

The euro slid 0.4% against the dollar Monday. The ICE U.S. Dollar Index, which measures the greenback against a basket of major currencies, gained 0.2%.

The yield on the 10-year U.S. Treasury rose to 0.573%, from 0.562% Friday.

Share-price and index performance



Source: FactSet

LUKE SHARRETT/BLOOMBERG NEWS

Caterpillar shares rose 5.3% and helped blue-chip stocks achieve their seventh straight day of gains.

Dow Extends Its Winning Streak

By David Benoit And Anna Isaac

The Dow Jones Industrial Average climbed, extending its winning streak to seven sessions, as investors assessed the chances of federal stimulus spending and the slowing pace of new coronavirus infections.

The blue-chip index climbed 357.96 points, or 1.3%, to 27791.44, buoyed by shares of **Boeing** and **Caterpillar**. The S&P 500 added 9.19 points, or 0.3%, to 3360.47 and is within 1% of its February record.

MONDAY'S MARKETS

The Nasdaq Composite dropped 42.63 points, or 0.4%, to 10968.36, dragged lower by shares of the technology giants that have pushed the stock market higher since late March.

Investors are attempting to gauge whether steps taken by President Trump over the weekend to offer aid to American households will go into effect or potentially spur a new round of congressional deal making.

Mr. Trump on Saturday directed the federal government to provide $300 a week in additional payments to the unemployed. That was one of four executive orders aimed at extending relief spending after the White House and lawmakers on either side of the aisle in Congress failed to reach an agreement on a broader stimulus package. The president's directives face criticism for not offering sufficient aid and for possibly breaching congressional spending authority.

"The legal basis for Trump to do much here with executive orders is shaky. He won't get far," said Holger Schmieding, chief economist at Berenberg Bank.

Still, with the coming November elections, politicians are likely to work out a deal that offers aid to voters, he said. "It's highly likely to have a deal this week that extends support to the end of the year," Mr. Schmieding said.

Treasury Secretary Steven Mnuchin expressed hope during an interview on CNBC Monday that a compromise could be reached with Democratic leaders this week.

The U.S. also reported its lowest number of new coronavirus cases in nearly a week, as new infections in some parts of the country trended down. Economists pointed to the slowing new case numbers as a sign that moderate measures might make it possible to contain the virus, without again crimping economic activity severely.

The stimulus debates come as investors are turning their attention back to broader macroeconomic uncertainty, after weeks of focus on U.S. corporate earnings and which companies appear best placed to survive the crisis.

Last week, Citigroup's derivatives desk saw clients trading individual stocks three times as much as they traded indexes, a split they expect to revert to normal levels, said Dan Baranovsky, the head of Citi's North American equity derivatives and cash trading desk.

"Here we are coming out of a pretty important earnings and guidance season and people are going to focus on macro concerns, specifically stimulus," he said.

Energy, industrial and material stocks led the S&P 500 and Dow industrials.

Boeing added $9.39, or 5.5%, to $179.41, while **Caterpillar** gained $7.10, or 5.3%, to $142.02.

Airlines, cruise operators and entertainment companies also jumped, with **United Airlines** rising $3.21, or 9.4%, to $37.54, and **Royal Caribbean Cruises** up $5.21, or 10%, to $57.31.

Casino operator **MGM Resorts International** surged $2.62, or 14%, to $21.65, leading the S&P 500, after Barry Diller's **IAC/InterActiveCorp** disclosed it had acquired a 12% stake, valued at about $1 billion. Other casinos also rose on the investor's take that MGM would rebound from the coronavirus.

Class B shares of Warren Buffett's **Berkshire Hathaway** rose $3.10, or 1.5%, to $212.58 after the sprawling enterprise reported results Saturday, writing down the value of its aerospace-parts maker but increasing its planned stock buybacks.

Front-month Nymex crude for September delivery gained 72 cents, or 1.75%, to $41.94 a barrel.

Worries remain that government actions around the world to fight the pandemic's impact will eventually fan inflation.

The trading around that theme is accelerating, Citi's Mr. Baranovsky said.

Gold rose 0.7% to $2,024.40 a troy ounce, and silver climbed 6.2% to $29.249 a troy ounce. Both metals had posted nine straight weeks of gains heading into this week and are up sharply for the year.

In bond markets, the yield on the benchmark 10-year U.S. Treasury ticked up to 0.573% from 0.562% Friday.

The recent roller coaster at **Eastman Kodak** continued as the government froze the planned loan the company was to get to pivot its operations to produce drug ingredients at its factories. Shares dropped $4.15, or 28%, to $10.73. They had hit $60 two weeks ago after the plan was announced.

Shares of **Simon Property Group** rose $3.28, or 5.3%, to $65.47. The largest mall owner in the U.S. has been in talks with Amazon.com to take over space left by ailing department stores for its fulfillment centers.

At midday Tuesday in Tokyo, the Nikkei 225 Stock Average was up 1.7%. Also early in the day, Hong Kong's Hang Seng Index was up 2.3% and South Korea's Kospi was up 1.3%. U.S. stock futures were up 0.2%.

Home-Building Shares Feed on Low Rates

By Karen Langley

Shares of home builders have been on a tear since the stock market bottomed in late March, boosted by a recovery in the housing market as record-low mortgage rates draw buyers.

The S&P 500's home-building subindustry index—made up of **Lennar** Corp., **D.R. Horton** Inc., **PulteGroup** Inc. and **NVR** Inc.—is up 23% this year and closed Monday at its first record in 15 years. The S&P 500, in comparison, has risen 4% and is within 1% of its February high.

The housing market has picked up after health and economic fears tied to the coronavirus pandemic sent sales plunging earlier this year. Sales of new single-family homes increased sharply in June from the prior month, according to the Commerce Department, beating economists' expectations.

A big factor supporting demand: Mortgage rates have tumbled. In July, the average rate on a 30-year fixed mortgage fell to 2.98%, according to Freddie Mac, its lowest level in nearly 50 years of record-keeping.

Carl Reichardt, home-building analyst at BTIG, said factors contributing to the home-builder rally include low interest rates and limited inventory of homes, as well as the "idea of home as a fortress, a safety net from Covid, as well as a place of work for some people."

A surge in construction also helped push lumber futures to a record last week.

On an earnings call last month, PulteGroup Chief Executive Ryan Marshall said recovery in demand for new homes during the second quarter "was nothing short of outstanding." Year-over-year orders increased 50% for the month of June, he said.

The home-building index last closed at a record in July 2005, according to Dow Jones Market Data. It has more than doubled from its 2020 low in late March. Shares of D.R. Horton and Lennar have surged more than 30% this year, while Pulte is up 16% and NVR has risen 2.7%

Builder stocks could continue to see gains, analysts say, if interest rates stay low and consumers continue to prioritize their homes, particularly in a recovering job market.

"I think the momentum behind them is pretty strong," Mr. Reichardt said. "I expect them to continue to perform well on a relative basis."

JIM THOMPSON/ALBUQUERQUE JOURNAL/ZUMA PRESS

The housing market has picked up momentum. Sales of new single-family homes increased sharply in June from the prior month.

Biotech IPOs Set Records

Continued from page B1

valuation balloon to nearly $30 billion, up from roughly $7 billion at the start of the year. Moderna, which codesigned the vaccine candidate with the National Institute of Allergy and Infectious Diseases, is embarking on a Phase 3 trial.

Investors will soon have another coronavirus-related stock to bet on. A German biotech company, **CureVac** BV, is expected to list shares on the Nasdaq Stock Market in an IPO later this month, according to people familiar with the matter. On Monday, the company said it hopes to raise more than $200 million in its IPO, according to an updated regulatory filing.

The company, which is in the early stages of developing a coronavirus vaccine, was in the news in March when the German government accused the Trump administration of trying to persuade CureVac to relocate to the U.S., The Wall Street Journal reported at the time. CureVac closed a financing round that netted it $640 million last month.

"It's crazy," said Marshall Gordon, a senior health-care analyst at ClearBridge Investments and a longtime biotech investor, referring to what he regards as the hype around early-stage biotech companies. He and his firm look at new companies coming to market, preferring to take a more conservative approach to selecting which stocks to hold, he said.

"We tend not to invest in a lot of IPOs because many are at an early stage," Mr. Gordon said. "We want to wait till there's strong proof of concept in humans, and we're not willing to chase such early-stage technologies."

Even as vaccine research and trials are being fast-tracked, few drugs typically advance beyond early-stage testing. According to the Food and Drug Administration, about 70% of drugs move on from Phase 1, which tests for safety and dosage. Only one-third progress beyond Phase 2, and even fewer are ultimately approved. While Phase 1 studies typically take several months, subsequent trials can take years.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	$154,712,240,900	$158,040,432,900
Accepted bids	$60,347,426,900	$56,994,546,800
″ noncomp	$726,880,900	$632,272,300
″ foreign noncomp	$300,000,000	$280,000,000
Auction price (rate)	99.973458	99.939333
	(0.105%)	(0.120%)
	0.106%	0.122%
Bids at clearing yield accepted	40.06%	53.62%
	912796Z71	9127964C0

Both issues are dated Aug. 13, 2020. The 13-week bills mature on Nov. 12, 2020; the 26-week bills mature on Feb. 11, 2021.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Monday, August 10, 2020

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CommSvsSPDR	XLC	59.73	-0.33	11.4
CnsmrDiscSelSector	XLY	142.06	1.20	13.3
CnsStapleSelSector	XLP	63.84	0.52	1.4
EnSelectSectorSPDR	XLE	38.33	3.09	-36.2
FinSelSectorSPDR	XLF	25.02	0.72	-18.7
FT DJ Internet	FDN	183.01	-0.95	31.5
HealthCareSelSect	XLV	106.05	-0.34	4.1
IndSelSectorSPDR	XLI	76.98	2.46	-5.5
InvscQQQI	QQQ	270.31	-0.43	27.1
InvscS&P500EW	RSP	110.67	1.05	-4.4
iSh3-7YTreasuryBd	IEI	133.82	-0.02	6.4
iShCoreDivGrowth	DGRO	40.50	0.75	-3.7
iShCoreMSCIEAFE	IEFA	60.18	0.33	-7.8
iShCoreMSCIEM	IEMG	52.65	0.29	-2.1
iShCoreMSCITotInt	IXUS	58.30	0.29	-5.8
iShCoreS&P500	IVV	336.96	0.30	4.2
iShCoreS&P MC	IJH	194.41	0.46	-5.5
iShCoreS&P SC	IJR	75.78	1.00	-9.6
iShS&PTotlUSStkMkt	ITOT	75.57	0.28	4.0
iShCoreUSAggBd	AGG	119.32	-0.09	6.2
iShSelectDividend	DVY	86.45	1.61	-18.2
iShEdgeMSCIMinEAFE	EFAV	67.56	0.04	-9.4
iShEdgeMSCIMinUSA	USMV	64.26	-0.11	-2.0
iShEdgeMSCIUSAMom	MTUM	140.92	-0.79	12.2
iShEdgeMSCIUSAQual	QUAL	103.52	0.24	2.5
iShGoldTr	IAU	19.31	-0.31	33.2
iShiBoxx$InvGrCpBd	LQD	138.46	-0.22	8.2
iShiBoxx$HYCpBd	HYG	85.21	0.05	-3.1
iShIntermCorpBd	IGIB	61.47	-0.07	6.0
iShJPMUSDEmgBd	EMB	114.34	0.15	-0.2
iShMBSETF	MBB	110.81	0.08	2.5
iShMSCI ACWI	ACWI	79.56	0.25	0.4
iShMSCI EAFE	EFA	63.84	0.33	-8.1
iShMSCIEmgMarkets	EEM	43.98	0.25	-2.0
iShNasdaqBiotech	IBB	134.87	-1.00	11.9
iShNatlMuniBd	MUB	117.22	0.04	2.9
iShPfd&Incm	PFF	36.17	0.36	-3.8
iShRussell1000Gwth	IWF	210.21	-0.51	19.5
iShRussell1000	IWB	186.67	0.21	4.6
iShRussell1000Val	IWD	121.49	0.91	-11.0
iShRussell2000	IWM	157.79	1.04	-4.8
iShRussellMid-Cap	IWR	58.23	0.45	-2.3
iShRussellMCValue	IWS	83.74	1.36	-11.6
iShS&P500Growth	IVW	227.16	-0.15	17.3
iShS&P500Value	IVE	116.23	0.96	-10.7
iShShortCpBd	IGSB	55.02	0.01	2.6
iShShortTreaBd	SHV	110.72	...	0.2
iShSilver	SLV	27.00	3.09	61.9
iShTIPSBondETF	TIP	126.02	-0.12	8.1
iSh1-3YTreasuryBd	SHY	86.54	-0.02	2.3
iSh7-10YTreasuryBd	IEF	122.40	-0.11	11.1
iSh20+YTreasuryBd	TLT	169.12	-0.45	24.8
iShRussellMCGrowth	IWP	169.40	-0.96	11.0
iShUSTreasuryBdETF	GOVT	28.18	-0.12	8.6
JPM UltShtIncm	JPST	50.83	0.02	0.8
PIMCOEnhShMaturity	MINT	101.84	...	0.2
SPDR BlmBarcHYBd	JNK	105.81	-0.07	-3.4
SPDRBloomBar1-3MTB	BIL	91.54	...	0.1
SPDR Gold	GLD	190.15	-0.35	33.1
SchwabIntEquity	SCHF	31.42	0.42	-6.6
SchwabUS BrdMkt	SCHB	79.96	0.33	4.0
SchwabUS Div	SCHD	56.96	1.28	-1.7
SchwabUS LC	SCHX	80.58	0.24	4.9
SchwabUS LC Grw	SCHG	111.76	-0.30	20.3
SchwabUS SC	SCHA	71.73	0.46	-5.2
Schwab US TIPs	SCHP	61.48	-0.08	8.6
SPDR DJIA Tr	DIA	278.14	1.28	-2.4
SPDR S&PMdCpTr	MDY	355.16	0.54	-5.4
SPDR S&P 500	SPY	335.57	0.30	4.3
SPDR S&P Div	SDY	97.75	1.25	-9.1
TechSelectSector	XLK	113.42	-0.28	23.7
UtilitiesSelSector	XLU	61.47	-0.03	-4.9
VanEckGoldMiner	GDX	42.39	-0.82	44.8
VangdInfoTech	VGT	302.23	-0.32	23.4
VangdSC Val	VBR	117.57	1.36	-14.2
VangdSC Grwth	VBK	214.69	-0.67	8.0
VangdDivApp	VIG	126.94	0.50	1.8
VangdFTSEDevMk	VEA	41.12	0.39	-6.7
VangdFTSE EM	VWO	43.43	-0.02	-2.3
VangdFTSE Europe	VGK	53.60	0.17	-8.5
VangdFTSEAWxUS	VEU	50.72	0.30	-5.6
VangdGrowth	VUG	221.50	-0.30	21.6
VangdHlthCr	VHT	204.20	-0.47	6.5
VangdHiDiv	VYM	83.81	0.92	-10.6
VangdIntermBd	BIV	94.14	-0.03	7.9
VangdIntrCorpBd	VCIT	96.86	-0.05	6.1
VangdLC	VV	155.64	0.28	5.3
VangdMC	VO	177.75	0.36	-0.2
VangdMBS	VMBS	54.50	0.07	2.5
VangdRealEst	VNQ	82.52	0.16	-11.1
VangdS&P500ETF	VOO	308.34	0.32	4.2
VangdST Bond	BSV	83.18	0.04	3.2
VangdSTCpBd	VCSH	83.02	-0.02	2.5
VangdSC	VB	158.79	0.47	-4.1
VangdTotalBd	BND	89.28	-0.11	6.5
VangdTotIntlBd	BNDX	58.19	0.07	2.8
VangdTotIntlStk	VXUS	52.51	0.31	-5.7
VangdTotalStk	VTI	170.27	0.28	4.1
VangdTotlWrld	VT	80.91	0.27	-0.1
VangdValue	VTV	107.11	0.99	-10.6

HEARD ON THE STREET
FINANCIAL ANALYSIS & COMMENTARY

Aramco's Dividend Focus Isn't Enough

Unlike Shell and BP, the oil company kept its payout, but international investors are still unlikely to buy into the Saudi concern

Oil industry investors have been rocked by two jarring dividend cuts this year, but the biggest oil company of them all has stayed the course. That discipline will do little to attract foreigners to Saudi Aramco, though.

It was a brutal second quarter for the entire oil sector: Profits were hit hard by Covid-19 lockdowns exacerbating an ill-timed price war. **Saudi Arabian Oil** had it worse than most because it also was a major contributor to massive output cuts that helped to stabilize the price of crude in the past few months. The company nevertheless confirmed it would pay $18.75 billion in dividends for the quarter. That isn't a great surprise given its majority shareholder—the Kingdom of Saudi Arabia—needs the cash and it is the one calling the shots at the company. Global investors avoided the company's December initial public offering on worries of political interference and an expensive share price. Both concerns remain.

On Sunday, Aramco reported tough second-quarter results. Net income of $6.6 billion was in line with expectations, but cash flow disappointed and debt rose. A closely watched industry metric, net debt as a percentage of total capital, jumped to 20.1% from net cash of 4.9% last quarter. The company's target range is net debt of 5% to 15%. One reason for the jump is that Aramco started to consolidate the borrowings of Sabic, the chemical company it bought from the Saudi sovereign-wealth fund in June.

Privately owned oil companies **BP** and **Royal Dutch Shell** both recently cut their payouts. However, luckily for minority investors in Aramco, dividends are one area where the kingdom's interests align with theirs. Over 98% of the dividends being paid go to cash-hungry Riyadh.

The strong share performance is less about confidence and more about its investor base.

Sometimes the state's interests trump the company's, though. Aramco agreed in March 2019 to buy 75% of Sabic from the kingdom's sovereign-wealth fund for $69 billion to diversify its downstream business. Sabic's market value fell earlier this year, but efforts to renegotiate the purchase price yielded only deferred payment terms.

Another example of misaligned incentives that hit the company's bottom line was Riyadh's ill-timed price war with Moscow in March. Aramco was ordered to open the taps and ramped up to produce 12.1 million barrels of oil on April 2, its highest ever daily total. Just days later, futures prices briefly fell below zero in the U.S. as the country ran out of places to store oil. Eventually, Saudi officials were major contributors to the successful effort by the Organization of the Petroleum Exporting Countries and its nonmember allies to stabilize crude prices closer to $40 a barrel.

Despite the tough quarter, Aramco's shares have outperformed those of their rivals, down about 6% year to date. By contrast, Shell's value nearly halved and other rivals are down around a third or more. Aramco is an efficient, low-cost producer, but its strong share performance is less about confidence and more about its investor base, who are primarily locals. Shares traded broadly flat on Monday at 33.10 riyals, still well above the 24 riyals that international investors said they would be willing to pay—and that was before the pandemic hit.

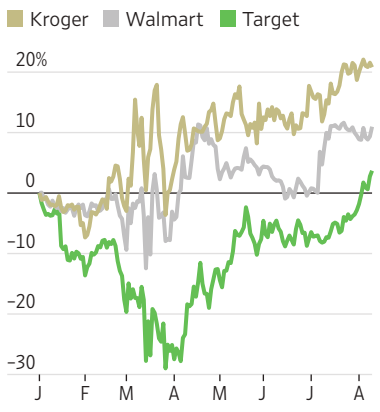
Dividend discipline isn't likely to lure international investors now. It is possible that mounting financial pressure could force the kingdom to sell more Aramco shares in the future to nonlocal buyers, but doing so will require either a dramatic recovery in the price of oil or a lower asking price for shares.

—Rochelle Toplensky

TNS/ZUMA PRESS

The company's model of shipping goods from its retail outlets paid off.

Share-price performance, year to date



Source: FactSet

Target Hits on Winning Formula

Surging e-commerce sales should translate into a lasting advantage

Target is set to emerge as a major winner from the pandemic. Investors just need to look past some near-term challenges.

The Minneapolis retailer has been meeting consumer needs for everything from pantry foods to baby clothes through surging e-commerce sales. This will help it cement relationships with customers for years to come and to grab share from less adept rivals.

In the three months through May 2, Target's comparable sales rose 10.8% from a year earlier, driven by a 141% leap in digital sales. Digital sales accelerated through the quarter, rising 282% in April alone. More than five million customers shopped at Target.com for the first time.

Target said it saw digital-sales levels that it wasn't planning for until three years from now. But its model of shipping goods from its retail outlets paid off as store employees were able to quickly pivot to fulfilling orders. Some 80% of digital sales were fulfilled from stores during the quarter.

Some worry this model could become a long-term weakness if Target needs to start investing more in warehouses and logistics. But Barclays analyst Karen Short argues that Target has plenty of runway left on its existing model by making more efficient use of its retail network. She estimates that this year Target will generate $341 of revenue a square foot of retail space, compared with $510 for **Walmart**. This suggests that Target could allocate more space in its existing stores to inventory and fulfillment operations without sacrificing retail sales.

There have been negatives from the pandemic, notably weak clothing sales. Target took impairments in the quarter on its apparel and accessories inventory, which contributed to a fall in operating margins, to 2.4% from 6.4% a year earlier.

Something similar could happen when Target next reports quarterly earnings on Aug. 19—especially given the risk of a dismal back-to-school season. But, as painful as this might be for Target, it will be far worse for many of its competitors, notes KeyBanc analyst Edward Yruma. Think of department stores like Macy's and youth clothing brands like Old Navy. "It's not about being better or worse in e-commerce than **Amazon** or Walmart," he says. "It's about capturing share from all these other retailers that can't make those investments."

Virtually everywhere one looks, Target has some competitive edge. Its low food prices, on par with Walmart, give it an advantage over supermarkets that have cut back on promotions, notes Ms. Short. In apparel and home goods, Target's private-label brands, known for quality and design savvy, give it a moat against competition from desperate retailers.

Despite all this, Target's shares are up around 3% so far this year, compared with gains of 9% and 21% at Walmart and **Kroger**, respectively. Target looks expensive at 26 times projected earnings for the fiscal year ending in February, according to FactSet. But if one looks past that to next year, as investors these days are increasingly inclined to do, Target is priced at 19 times fiscal 2021 earnings, compared with 24 times for Walmart.

Walmart's example is illustrative. The stock's multiple has averaged 16 times forward earnings over the past 10 years, but it rose to an average of 22 times over the past two years—and even higher than that now—as investors gradually gave it credit for its e-commerce success. Target is due for a similar rerating.

—Aaron Back

Drop in Tourism Is Lingering Threat For Emerging Markets

There are many types of economic activity for which coronavirus-related workarounds have been found. International tourism isn't one of them.

That is potentially disastrous for a handful of emerging-market economies. Tourism is a major source of foreign income for some. Among those most at risk is Turkey.

In a report last week, International Monetary Fund economists gauged how depressed revenues will be this year. Thailand is the worst-affected, with a net impact of around minus-6.1 percentage points in its current-account balance. The net impact on other major emerging economies ranges from Turkey's minus-2.5 percentage points to Mexico's minus-0.8 point.

A 6.1-percentage-point fall for Thailand would still leave it with a narrow current-account surplus, based on the nearly 7% surplus the country had last year. But the 2.5-percentage-point hit to Turkey would push the country into an aggregate deficit of around 1%, based on last year's narrow surplus. Given its existing macro-financial woes and a collapsing currency, that might be worse for the country from a financial-stability perspective than Thailand's far larger shortfall.

Another finding of the IMF is that economies with high International Country Risk Guide scores—an assessment made up of political, financial and economic measures, including a country's current account and foreign debt exposures—have seen their effective exchange rates plunge far more than those with higher scores.

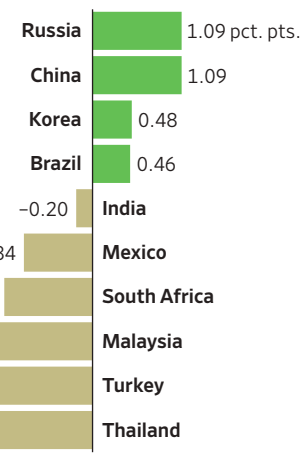
The link between poor risk metrics and poor currency performance has been far closer during the pandemic than during the global financial crisis.

Even countries which look capable of weathering the shock may suffer if the pandemic drags on.

Vaccine development means everything for tourism-focused economies, and investors looking at emerging markets should keep that link in mind. International travel may be the last thing to recover from the pandemic. The same goes for the financial security of the economies most exposed.

—Mike Bird

Impact of predicted tourism shortfalls on the current-account balance in 2020



Note: Forecast based on U.N. World Tourism Organization predictions and IMF staff calculations
Source: International Monetary Fund

Disney Investors Could Look Goofy Soon

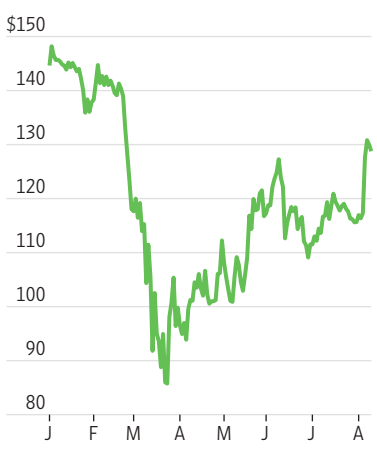
Walt Disney investors are enjoying the recent show, but they might not get their happily ever after.

Following better-than-feared fiscal third-quarter earnings last week, shares of the media giant have recovered to early February levels achieved before the coronavirus pandemic hit the U.S. Investors pricing in a relatively quick pandemic recovery should brace for some plot twists.

In last year's June quarter, the two businesses hardest hit by the virus, including park visits and studio entertainment, made up more than half of Disney's revenue. In the comparable period this year, the units housing those businesses were down by a combined 74% year over year and comprised less than a quarter of the company's total top line.

Streaming has been a standout performer amid the pandemic, but its stellar growth could slow as children head back to school—even if that means remote learning. Disney+ subscribers reached more than 57 million in the quarter ended June 27, meaning that in just months, the new service now has almost a third of **Netflix**'s total subscribers.

Walt Disney's share price



Source: FactSet

That certainly is an impressive feat and proof that consumers are hungry for Disney's content. But it is also illustrative of a tired parent's need to find something for children to do amid shelter-in-place orders and while schools have been out of commission—a scenario that will be ending soon.

Streaming strength aside, a bet on Disney right now has to be a bet that the theme-park business will recover in earnest. Moreover, even if all its reopened parks can stay that way, investing in them carries a lot more risk for the foreseeable future. Parks now have capacity limits. Can excitable children safely keep masks on at all times while racing around to their favorite ride, waiting in line or eating? Can all adults, for that matter?

Expectations for resurgence in theme-park visits have made Disney a crowded long bet for many investors. That creates an opportunity for those on the other side of the trade. Short interest in Disney is just 1.5% of the stock's free float, according to FactSet. Further progress toward a vaccine could sting those skeptics, but the odds are decent that the coming months will turn into a scary ride for those who expect everything to work out just fine.

—Laura Forman

OVERHEARD

If something seems too good to be true, it usually is. That certainly is the case for the **Global X MSCI Nigeria ETF**, a $32 million exchange-traded fund that can be bought for $26.2 million.

AFOLABI SOTUNDE/REUTERS

The West African nation's economy has taken a hit because of the price of oil, but that isn't the reason behind the fund's whopping discount to net asset value, according to Lara Crigger of ETF.com.

Unlike with closed-end mutual funds, such discounts rarely last long for an ETF because market makers pounce on them. Small discrepancies can occur with U.S.-listed ETFs owning foreign companies since the values of the stocks they own can change between their official trading hours and those in New York. But not by 18.2%.

The culprit here is the dysfunctional Nigerian economy, which has maintained multiple exchange rates for the naira.

Now, with pressure mounting and calls for an overhaul, the rates might be unified with the result being a sudden devaluation of the rate used to calculate the net asset value.

Investors should think twice before taking advantage of this bargain.

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